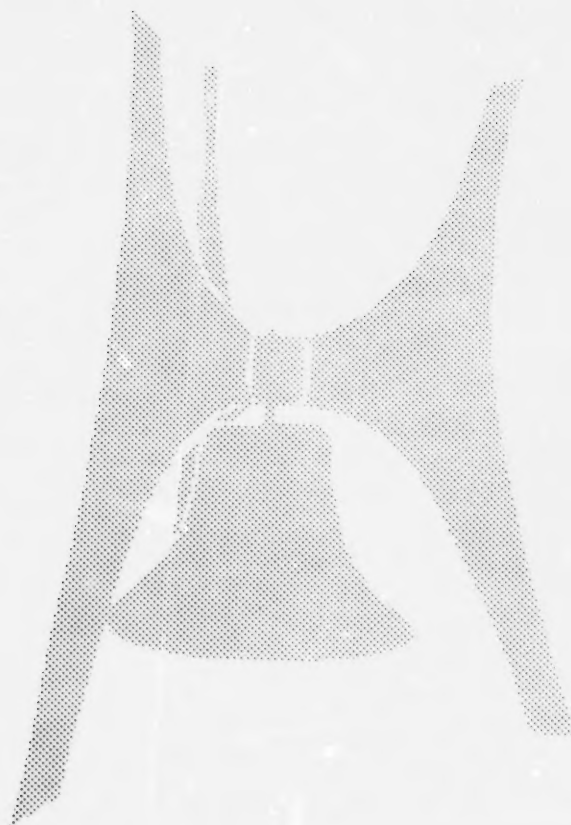


CITY OF NEPEAN



FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 1985

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FINANCE DEPARTMENT

our reference:

your reference:

Treasurer's Report

April 28, 1986

Mayor Ben Franklin
Members of Council and
Residents of the City of Nepean

Nepean has enjoyed another prosperous year of substantial growth and successful operations in 1985. Housing, commercial and industrial construction activity continued at the brisk pace of the past two years, providing a considerable increase in taxable assessment and contributing significantly to the growth of reserve funds. Services to the community have been not only maintained but broadened. This has been accomplished in a controlled environment, reacting to ratepayer needs but holding taxation increases below the level of inflation.

Current Operations

The 1985 current operating budget approved by Council provided for gross expenditures of \$42,121,300, revenues of \$23,469,900 and a net requirement of \$18,651,400 to be raised by property and business taxes. The resultant mill rate increase of 2.9% was more than offset by a 17.6% reduction in the sewer surcharge on water bills. Effectively, the average urban residential ratepayer's cost decreased by \$5 for local municipal purposes from \$513 to \$508.

Actual gross expenditures of \$43,710,000 and revenues of \$26,734,200, when combined with the effect of assessment increases greater than anticipated, produced a consolidated operating surplus of \$1,880,400.

The origins of the 1985 consolidated operating fund surplus, defined by principal activity, special area or local board and compared with 1984 operations, are described below:

	<u>1985</u>	<u>1984</u>
	<u>(\$)</u>	<u>(\$)</u>
General purposes	908,100	2,819,500
Sanitary Sewer Area	819,300	970,300
Urban Drainage Area	76,600	126,500
Sanitation Area (garbage collection and disposal)	66,900	1,100
Nepean Public Library Board	1,400	31,300
Ottawa-Nepean Campsite Authority	8,100	49,400
Local improvements prelevied	<u>158,400</u>	<u>181,500</u>
Total	<u><u>2,038,800</u></u>	<u><u>4,179,600</u></u>

Increased realty and business assessment accounted for \$257,000 of the 1985 general purposes operating surplus. The balance represents unanticipated payments in lieu of taxes (\$239,900), building permit revenues (\$335,800) and Ontario unconditional grants (\$75,400).

The surplus in the Sanitary Sewer Area comprises sewer surcharges on water bills \$657,800 in excess of estimates and operational savings totalling \$161,500.

Surpluses of other areas and boards can be attributed to the net result of normal operations.

Allocations of the 1985 consolidated operating fund surplus were made in accordance with established financial policies and are detailed below, with comparative figures for 1984:

	<u>1985</u>	<u>1984</u>
	<u>(\$)</u>	<u>(\$)</u>
Contributions to reserve funds		
Civic Centre and Administration Facility	408,100	1,919,500
Sanitary sewer construction	819,300	970,400
Storm sewer construction	76,600	126,500
Campsite improvements	8,100	49,300
	<u>1,312,100</u>	<u>3,065,700</u>
Contribution to a reserve for the production of a history of Nepean	-	100,000
Source of revenue for subsequent years by fund or purpose		
General purposes	500,000	800,000
Sanitation Area (garbage collection and disposal)	66,900	1,100
Library purposes	1,400	31,300
Local improvements prelevied	<u>158,400</u>	<u>181,500</u>
	<u>726,700</u>	<u>1,013,900</u>
	<u><u>2,038,800</u></u>	<u><u>4,179,600</u></u>

The City has diminished its reliance on surplus from prior year's operations as a source of revenue for the current year. With greater emphasis on budgeting general revenues more precisely, a substantial budgeted reduction in sewer surcharge rates and a lessened probability of extraordinary events, surpluses will be reduced significantly in the future.



Capital Operations

Although the total level of capital expenditures has remained virtually unchanged from 1984, 1985 saw a shift in the composition of expenditures from planning and development and recreational and cultural services to roads and sewers and the general government category. This shift recognizes the servicing of the Rideau Heights Business Park, the major portion of which was completed during the year 1985, and the closing of the purchase of land for the new Civic Centre and Administration Facility.

Total applications of funds for capital purposes in 1985 in the amount of \$11,204,000 shown on the "Consolidated Statement of Operations" include the following major capital outlays:

Rideau Heights Business Park Servicing	\$ 1,840,000
Civic Centre and Administration Facility land	2,770,400
Roads, bridges and sidewalk construction	1,069,800
Acquisition of vehicles and mobile equipment	991,800
Barrhaven Trunk Sanitary Sewer	707,100
Park development	465,100
Sportsplex repairs and improvements	335,000

Financing of total applications of funds and the reduction in the net unfinanced capital outlays from previous years was derived from the following sources:

Contributions from reserves and reserve funds	\$11,287,700
Sale of land (including industrial land \$5,671,300)	6,121,300
Grants and recoveries from governments	1,526,800
Contributions from the operating fund	591,300
Other fees, service charges and other sources	427,900
Total	<u>\$19,955,000</u>

The dominant share of the reduction in unfinanced capital outlay represents the continuation of the long term funding scheme for storm sewer works in the City. This amounted to \$2,305,900 in 1985.

The net proceeds from the sale of land were transferred to reserve funds for future development and acquisitions of similar assets.

The City's "pay as you go" policy, enhanced by the careful management of other major resources such as development charges, and the acquisition and development of industrial lands, has enabled the City to continue a substantial capital program without incurring any additional long term debt since 1982. As a result, net long term debt and related debt charges have been notably reduced.



Long Term Debt

Net long term liabilities at December 31, 1985 totaled \$14,678,200 and are recoverable from the following sources:

Recoverable from operations	
Recoverable from the general mill rate	\$ 7,501,400
Recoverable from special areas and special area rates	2,963,000
Recoverable from benefitting land owners	3,093,800
	<u>\$13,558,200</u>
Recoverable from reserve funds	\$ 1,120,000
Total	<u>\$14,678,200</u>

The results of the "pay as you go" policy and effective management of resources are well demonstrated by a 26% reduction in net long term liabilities recoverable from operations from \$18,207,000 to \$13,558,000 during the period 1982 to 1985. More particularly, a reduction from \$10,326,000 to \$7,501,000 or 27 percent in net long term liabilities recoverable from the general mill rate has been realized during the same period. Stated in terms of debt per household to be repaid from general mill rates, long term debt has diminished from \$366 in 1982 to \$233 in 1985.

Nepean's annual debt charges have declined from a high of \$3,812,000 in 1983 to a level of \$3,149,000 in 1985. Annual debt charges recoverable from operations have dropped 7 percent from \$3,205,000 in 1983 to 2,989,000 in 1985. Total annual debt charges recoverable from the general mill rate have decreased from \$1,778,000 in 1983 to \$1,715,000 in 1985, a 4 percent reduction. The most tangible evidence of the debt reduction program, as measured in annual debt charges, will occur in 1994 when the total principal and interest payments for the year for all Nepean purposes will be \$1,583,400, as compared to \$2,115,800 in 1993. Final debt payments will occur in the year 2002.

Reserves and Reserve Funds

The total value of reserves and reserve funds set aside for specific purposes is \$34,399,200, an increase of \$4,887,900 or 17 percent over the total value of reserves and reserve funds at the end of 1984.

In summary these funds have been earmarked for the following purposes (comparative amounts are shown for 1984):

	<u>1985</u>	<u>1984</u>
	<u>(\$)</u>	<u>(\$)</u>
Future capital expenditures	28,321,800	23,235,100
Employee benefits	3,106,600	2,954,200
Working funds, contingencies, insurance and other expenses	1,878,000	1,972,700
Debt repayment	1,092,800	1,284,500
Ontario Home Renewal Program	-	64,800
Total	<u>34,399,200</u>	<u>29,511,300</u>

The following brief analysis of the activities in the reserves and reserve funds during the year 1985 highlights the principal reasons for the growth of the funds:

Lot levies and subdividers contributions	\$ 3,183,400
Investment income	2,919,500
Other income	22,800
Debt retirement	(160,000)
Net outflow for operations (including employee compensation, exchange costs, elections expenses and commitments)	(420,900)
Net outflow for capital purposes	(592,100)
Ontario Home Renewal Program transferred to trust fund	(64,800)
Total	<u>\$ 4,887,900</u>

Lot levies and subdivider contributions represent the largest source of growth in the reserve funds. For the third consecutive year total lot levies collected have surpassed \$3,000,000. The total dollar value of building permits issued in 1985 for new residential dwellings was \$75,822,700 which represented 1,172 dwelling units, compared to total building permit values of \$73,657,600 in 1984 for 1,278 dwelling units. The total commercial, industrial and institutional building activity, as measured by building permit values, was effectively doubled from \$31,874,800 in 1984 to \$62,435,700 in 1985.

The second principal reason for the continued strong gains in the reserve funds was the income from short and long term investments. Although average short term yields fell almost 12 percent from 1984 to 1985, the marked appreciation in the value of the reserve funds during 1985 and the interest rates on long term investments, which have remained constant at the levels of previous years, have enabled the City to maintain total investment income within 5 percent of 1984 earnings.

Investments and Interest Earnings

Surplus funds of the municipality are invested on a pooled basis in term investments which are comprised principally of regional debentures, short term money market instruments of the major chartered banks in Canada and federal government treasury bills. Investment earnings in 1985 totalled \$4,574,200 of which \$2,919,500 was earned by reserve funds, \$1,651,400 by the operating fund and \$3,300 by the capital fund.

The maximum level of pooled short and long term investments occurs in late June each year and in 1985 measured \$81,117,600 compared with \$67,071,100 in 1984. The increase of \$14,000,000 is attributed to reserve funds growth and increases in the amounts of taxation raised for regional government and school board purposes on hand at that time. Minimum investment levels occur in mid March each year. In March 1985 total long and short term investments amounted to \$21,302,700 which contrasts with investments a year earlier totalling \$17,411,000.

Average short term interest rates fell from 11.5 percent in 1984 to 10.1 percent in 1985 reflecting a similar relative drop in the bank prime lending rate during the same period.

Industrial and Commercial Development

In 1984 Nepean purchased 105 acres of land for the development of the Rideau Heights Business Park and began the servicing of the first phase of the development. During 1985 over 90 percent of the net 98 acres available had been sold and the servicing of the park had



been completed except for the street lighting and final lift of asphalt. Since the end of 1985 the balance of the lands have been sold and the City expects a net profit of approximately \$2,800,000 on the acquisition and development of the park which can be used to promote further industrial development in the City.

1985 also saw the closing of the sale of the last parcel of land in the Merivale Acres Industrial Colony, the City's first venture in industrial land acquisition and development. In 1974 Nepean purchased approximately 205 acres of land from the Canada Mortgage and Housing Corporation and the Ontario Housing Corporation for the development. Ontario Hydro exercised its option to acquire 45 acres of these lands for an easement for transmission lines and the City set aside approximately 22 acres for roads and services, leaving a net area of 138 acres available for sale. The initial servicing was completed in 1975 and the first sale closed in November of that year.

Sales activity was brisk at the outset, abated dramatically during the period 1979 to 1981 when interest rates rose to unprecedented levels and the economy was depressed, but resumed vigorously in 1982. The final agreement of purchase and sale was executed in early 1984. The total net profit realized from the development was \$4,250,000, which has been used to fund additional industrial and commercial expansion.

Outlook

The City has demonstrated a resiliency and vitality in responding to the needs of the community which in many respects must be attributed to significant building construction activity regenerated in 1981 and noticeably expanded in 1983. The following table illustrates the pattern of residential, commercial and industrial construction activity since 1981, described in terms of dwelling units and building permit values and the resulting growth in taxable assessment and lot levies. The amounts shown for residential building permit values exclude additions, alterations, repairs and ancillary structures. Commercial building permit values include industrial values. Commercial assessment growth includes industrial and business assessment.

Year	New Residential Dwelling Units	Building Permit Values		Assessment Growth		Lot Levies Collected
		Residential	Commercial	Residential	Commercial	
		(\$000's)	(\$000's)	(\$000's)	(\$000's)	(\$000's)
1981	731	34,719	8,685	2,279	302	1,553
1982	718	34,819	14,007	1,850	806	1,517
1983	1,546	75,826	25,638	3,852	711	3,113
1984	1,278	73,658	29,218	4,256	1,785	3,023
1985	1,172	75,823	52,373	4,312	689	3,052

Highlights of commercial/industrial developments in 1985 include an addition of 190,000 square feet valued at \$15,650,000 to the Northern Telecom research and development facility on Moodie Drive, a five storey office building and four retail establishments or additions in the Bells Corners area, including a car dealership, a building materials retail store and warehouse, a community shopping plaza of 43,000 square feet and a \$2,800,000 expansion to an existing Canadian Tire retail store. Other principal commercial/industrial projects were a 37,000 square foot shopping plaza in Fisher Heights, a major commercial shopping facility and office building with a construction value of \$9,500,000 located on Merivale Road and a shopping plaza/office building valued at \$2,400,000 also situated on Merivale Road. A total

of 34 building permits were issued during 1985 for \$4,770,000 of construction in the Merivale Acres Industrial Colony. In Nepean's new Rideau Heights Business Park, 12 building permits were issued in 1985 for new buildings valued at \$6,600,000.

Major residential development in 1985 included a 253 unit townhouse project in Centrepointe in the Woodroffe Community, 56 row housing units in Knoxdale Village, an eight storey rental apartment building in the Valley Stream Subdivision and two apartment projects of 60 units each in Westcliffe Estates. Other row housing projects of note include 59 rental units on Offenbach Lane, 40 units in the Hillsdale Subdivision and 49 units in the Waterford on the Rideau condominium project.

Two major areas of approved residential growth are Centrepointe in the Woodroffe Community and Neighbourhood Five of the Barrhaven Community. Residential development in Centrepointe is anticipated to continue in 1986. When completed the community is expected to house 10,000 residents in approximately 4,000 units. Subdivision approval and the commencement of servicing and development in Neighbourhood Five is expected in 1986. This community will eventually house an estimated 7,800 residents.

Should residential development proceed at the rapid pace established during the last three years, Nepean could be confronted in the near future with a critical shortage of vacant residential land available for subdivision. Initiation of planning studies for the South Urban Community has been recommended.

The potential for future commercial growth exists mainly in the Woodroffe Community, Merivale Road Sector, Bells Corners and Bayshore locations. The City has approved in principle an office and retail complex of approximately 1.5 million square feet in the Woodroffe Community. Phase 1 of this project (121,700 square feet) commenced early in 1986. A major expansion of Bayshore Shopping Centre is planned for 1986.

Prime industrial growth areas in Nepean are located in the Merivale Industrial Area, Merivale Acres Business Park, Rideau Heights Business Park and Bells Corners. Plans of industrial subdivision have been submitted for parcels of land in the Merivale Industrial Area and Bells Corners for development in 1986. Sustained development and construction activity in Rideau Heights is expected in 1986. Although a slower construction pace is anticipated for Merivale Acres, some projects have been identified as likely to proceed in 1986.

The residential, commercial and industrial development recorded in 1985 and anticipated from identified growth areas will continue to generate assessment growth and enrich other resources in 1986 and 1987 and could provide residual benefits for 1988. Against this growth the City must measure the increasing costs attributed to a larger physical area and greater number of households and businesses for which to provide services. The City must also cope with the concurrent increasing demands by residents for an abundant variety of high quality protective, social, recreational and cultural services at reasonable cost. During this same period, concerns related to budget base inadequacies in certain functional areas must be addressed.

Intelligent use of property assessment-based resources, a thorough examination of service demands, improvements in operational efficiencies and an expansion of long range planning activities will allow the City to continue to provide practicable and reliable services in a proficient manner.



For More Information

Residents and ratepayers wishing to review financial information in greater detail should contact the Finance Department at 829-1510. Copies of the City's financial statements are available at:

City Hall, Finance Department
Merivale Road Branch Library
Centennial Branch Library
Ruth E. Dickinson Branch Library

2nd Floor, 3825 Richmond Road
1541 Merivale Road
3870 Richmond Road
100 Malvern Drive



R. R. Letourneau, R.I.A., C.M.O.,
Commissioner of Finance and Treasurer.



THE CORPORATION OF THE CITY OF NEPEAN

FINANCIAL STATEMENTS

1985

WARD MALLETTE CHARTERED ACCOUNTANTS

The Mallorn Centre, 301 Moodie Drive, Suite 400, Nepean, Ontario, Canada K2H 9C4 (613) 820-8010

AUDITOR'S REPORT

To the Members of Council,
Inhabitants and Ratepayers
of THE CORPORATION OF THE
CITY OF NEPEAN

We have examined the consolidated balance sheet of the Corporation of the City of Nepean as at December 31, 1985 and the consolidated statement of operations for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of the Corporation of the City of Nepean as at December 31, 1985 and the results of its operations for the year then ended in accordance with the accounting principles prescribed for Ontario Municipalities on a basis consistent with that of the preceding year.

Ward Mallette

Nepean, Ontario
March 21, 1986
Licence No. 1134

THE CORPORATION OF THE CITY OF NEPEAN
CONSOLIDATED BALANCE SHEET
AS AT DECEMBER 31, 1985
(in thousands of dollars)

	1985	1984
	(\$)	(\$)
ASSETS		
Unrestricted		
Taxes receivable (Note 14)	1,904	2,239
Amounts receivable - governments	2,290	2,197
- other	474	813
Inventories, prepaid expenses and other current assets	234	230
Long-term receivables	596	702
	<u>5,498</u>	<u>6,181</u>
Restricted		
Amounts receivable	410	87
Interfund loans and advances receivable	778	2,764
Other current assets	32	32
Investments (Note 4)	31,635	24,907
Investment in own debentures	6	12
Long-term receivables	-	27
	<u>32,861</u>	<u>27,829</u>
Capital outlay financed by long-term liabilities and to be recovered in future years	<u>14,678</u>	<u>16,418</u>
	<u>53,037</u>	<u>50,428</u>
LIABILITIES (Notes 5, 6 and 12)		
Current Liabilities		
Interfund loans and advances payable	778	2,764
Accounts payable and accrued liabilities	2,844	3,746
Refundable deposits, deferred revenue and other current liabilities	1,172	1,580
	4,794	8,090
Net long-term liabilities (Note 7)	<u>14,678</u>	<u>16,418</u>
	<u>19,472</u>	<u>24,508</u>
RESOURCES AVAILABLE (DEFICIENCIES YET TO BE FINANCED) AT THE END OF THE YEAR (Notes 8 and 13)		
To be used to offset taxation (Note 8a)	727	1,014
Unapplied capital receipts (Note 8b)	172	322
Capital expenditures not yet permanently financed (Note 8c)	(1,733)	(4,927)
Reserves (Note 8d)	1,538	1,682
Reserve funds (Note 8e)	32,861	27,829
	<u>33,565</u>	<u>25,920</u>
	<u>53,037</u>	<u>50,428</u>

The accompanying notes are an integral part of this financial statement.

THE CORPORATION OF THE CITY OF NEPEAN
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 1985
(in thousands of dollars)

	1985	1984
	(\$)	(\$)
SOURCES OF FINANCING:		
Taxation		
Taxation - residential and farm	55,920	50,849
- commercial, industrial and business	24,298	21,232
- other governments and agencies	5,537	5,408
	<u>85,755</u>	<u>77,489</u>
<u>Deduct:</u> Amounts raised on behalf of the Region and school boards (Note 9)	<u>(59,840)</u>	<u>(53,130)</u>
	<u>25,915</u>	<u>24,359</u>
Grants and Contributions		
Government of Canada	69	79
Province of Ontario	6,510	6,314
Other municipalities	348	32
	<u>6,927</u>	<u>6,425</u>
User Charges		
Sewer surcharge	2,891	2,801
Fees, service charges and donations	3,591	3,889
Licences and permits	1,152	920
	<u>7,634</u>	<u>7,610</u>
Other		
Fines	215	196
Penalties and interest on taxes	343	430
Investment income	4,574	4,633
Interest on interfund loans and advances	2,502	2,651
Lot levies and subdivider contributions	3,263	3,364
Sale of land and other assets	6,258	963
Sundry income	207	178
	<u>17,362</u>	<u>12,415</u>
Proceeds from the issue of long-term liabilities - net (Note 10)	<u>-</u>	<u>85</u>
Total funds raised during the year	<u>57,838</u>	<u>50,894</u>
RESOURCES AVAILABLE (DEFICIENCIES YET TO BE FINANCED) AT THE BEGINNING OF THE YEAR		
To be used to offset taxation	1,014	2,493
Unapplied capital receipts	322	350
Capital expenditures not yet permanently financed	(4,927)	(5,072)
Reserves	1,682	4,418
Reserve funds (Note 2)	27,764	20,672
	<u>25,855</u>	<u>22,861</u>
Total financing available during the year	<u>83,693</u>	<u>73,755</u>

The accompanying notes are an integral part of this financial statement.

THE CORPORATION OF THE CITY OF NEPEAN
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 1985
(in thousands of dollars)

	1985 (\$)	1984 (\$)
APPLICATIONS TO CITY OPERATIONS:		
Current (Note 11)		
General government		
- operations	3,444	2,739
- interest on interfund loans and advances	2,502	2,651
Fire	5,007	4,716
Police	8,136	7,413
Other protective services	685	589
Roads and streetlighting	1,964	1,719
Winter control	1,411	1,219
Sanitary sewer system	1,870	1,885
Storm sewer system	1,491	1,510
Garbage collection	987	965
Social and family services	566	490
Recreation and cultural services	8,085	7,733
Libraries	2,213	2,051
Planning and development	558	879
Other	5	152
	<u>38,924</u>	<u>36,711</u>
Capital		
General government	2,751	619
Fire	255	148
Police	352	314
Other protective services	131	141
Roads and streetlighting	2,813	2,259
Sanitary sewer system	1,309	551
Storm sewer system	1,105	762
Waterworks system	11	-
Social and family services	1	-
Recreation and cultural services	1,715	3,318
Libraries	46	46
Planning and development	715	2,966
	<u>11,204</u>	<u>11,124</u>
Total funds expended during the year	<u>50,128</u>	<u>47,835</u>
RESOURCES AVAILABLE (DEFICIENCIES YET TO BE FINANCED) AT THE END OF THE YEAR (Notes 8 and 13)		
To be used to offset taxation (Note 8a)	727	1,014
Unapplied capital receipts (Note 8b)	172	322
Capital expenditures not yet permanently financed (Note 8c)	(1,733)	(4,927)
Reserves (Note 8d)	1,538	1,682
Reserve funds (Note 8e)	32,861	27,829
	<u>33,565</u>	<u>25,920</u>
Total applications during the year	<u>83,693</u>	<u>73,755</u>

The accompanying notes are an integral part of this financial statement.

**THE CORPORATION OF THE CITY OF NEPEAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1985**

1. ACCOUNTING POLICIES

The financial statements of the City of Nepean have been prepared by management in accordance with accounting principles prescribed by the Ministry of Municipal Affairs of Ontario. The more significant of these accounting policies are as follows:

a) Basis of Consolidation

(i) Consolidated Balance Sheet

This statement reflects the assets and liabilities of the revenue fund, reserve funds and capital fund of the City of Nepean, including all committees of Council, and the following local boards:

Board of Commissioners of Police of the City of Nepean
City of Nepean Public Library Board
Ottawa-Nepean Campsite Authority

All interfund assets and liabilities are eliminated with the exception of loans or advances between the reserve funds and other funds of the Municipality.

(ii) Consolidated Statement of Operations

This statement reflects the consolidated sources of financing and expenditures of the revenue fund, reserves, reserve funds, and the capital fund of the municipality and those local boards, municipal enterprises and utilities described in Note 1(a)(i).

All interfund sources of financing and expenditures are eliminated with the exception of interest income and expense arising from loans and advances between the reserve funds and other funds of the Municipality.

(iii) Non-consolidated Entities

The "Consolidated Balance Sheet" does not reflect the assets or liabilities of The Hydro-Electric Commission of the City of Nepean except to the extent of amounts due to or from it. Similarly, the "Consolidated Statement of Operations" does not reflect the revenues and expenditures of The Hydro-Electric Commission of the City of Nepean.

(iv) Accounting for Region and School Board Transactions

The taxation and other revenues with respect to the operations of the school boards, and the Region of Ottawa-Carleton are reflected in the Consolidated Statement of Operations but with no effect on the Municipal Fund Balances since the total is shown as a deduction.

**THE CORPORATION OF THE CITY OF NEPEAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1985**

In addition the expenditures, assets and liabilities with respect to the operations of the school boards, and the Region of Ottawa-Carleton are not reflected in these financial statements except to the extent that overlevies are reported on the "Consolidated Balance Sheet" as "other current liabilities".

(v) Trust Funds

Trust funds and their related operations administered by the Municipality are not consolidated, but are reported separately on the "Trust Funds Statement of Continuity and Balance Sheet."

b) Basis of Accounting

(i) Accrual Accounting

Sources of financing and expenditures are reported on the accrual basis of accounting with the following exceptions:

Interest on Long-Term Debt

Principal and interest charges on long-term liabilities are charged against operations in the periods in which they become due. Principal and interest charges are not accrued for the periods from the dates of the latest installment payments to the end of the financial year (See Note 13).

Employee Benefits

No provision is made in the accounts for accumulated vacation pay entitlements, vested sick leave or certain pension liabilities (See Notes 5 and 6).

The accrual basis of accounting recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(ii) Inventories

Inventories of certain materials and supplies are stated at the lower of cost and net realizable value. Cost was determined on a first-in, first-out method.

(iii) Fixed Assets

The historical cost and accumulated depreciation for fixed assets are not recorded for municipal purposes. Fixed assets are reported as an expenditure on the "Consolidated Statement of Operations" in the year of acquisition. For those fixed assets financed or to be financed by the issue of long term indebtedness, the principal and interest on the long term indebtedness are also reported on the "Consolidated Statement of Operations" as they are paid.

THE CORPORATION OF THE CITY OF NEPEAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1985

(iv) Capital Outlay to be Recovered in Future Years

"Capital outlay financed by long-term liabilities and to be recovered in future years", which represents the outstanding principal portion of unmatured long term liabilities for municipal expenditures or capital funds transferred to other organizations, is reported on the "Consolidated Balance Sheet."

(v) Foreign Exchange

Long-term liabilities denominated in U.S. currency are recorded at rates prevailing when the liabilities were incurred. Exchange gains or losses are recognized in the year of payment.

2. ONTARIO HOME RENEWAL PROGRAM FUNDS

Effective January 1st, 1985, amendments to regulations require that the Ontario Home Renewal Program funds be accounted for as a trust fund and no longer as a reserve fund. This transfer of the fund balance has reduced the total opening reserve fund balances by \$64,806, and is not reflected in the Consolidated Statement of Operations. The 1985 transactions for this program are reflected in the financial statement for the trust funds of the municipality.

3. TRUST FUNDS

Trust funds administered by the municipality amounting to \$903,469 (1984 - \$18,365) have not been included in the "Consolidated Balance Sheet" nor have their operations been included in the "Consolidated Statement of Operations."

4. INVESTMENTS

The total investments of \$31,634,650 (1984 - \$24,907,486) recorded on the "Consolidated Balance Sheet" at cost, have a market value of \$32,236,884 (1984 - \$24,864,896) as at the end of the year.

5. LIABILITY FOR PENSION BENEFITS

The City is a member of the Ontario Municipal Employees Retirement System pension plan. During 1979 and 1984 modifications were made to benefits payable under the plan to provide for the following:

- a) Pension benefits for those employed by the City as at January 1, 1979 are now to be calculated for all service with the employer. Prior to 1979, only employment with the Corporation since January 1, 1965 was covered. The cost of this benefit was revalued in 1983. The cost to discharge the remaining liability as at December 31, 1985 was \$384,588 (1984 - \$418,070) and is repayable in equal annual instalments of principal and interest totalling \$66,927 until December 31, 1993. The cost is subject to actuarial review and revaluation every three years.

**THE CORPORATION OF THE CITY OF NEPEAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1985**

This liability is not reflected in the accounts of the City. Annual instalments are presently being charged to a reserve fund: the balance in the reserve fund as at December 31, 1985 was \$181,026 (1984 - \$224,774).

- b) In 1979, the retirement age for members of the Police and Fire Forces was reduced from age 65 to 60. The cost to discharge the liability arising from this modification was \$566,522 and is repayable in equal annual instalments of principal and interest totalling \$58,329 for 15 years commencing in 1979. The balance of the liability at December 31, 1985 was \$362,212 (1984 - \$396,736). The cost is subject to actuarial review and revaluation every three years.

This liability is not reflected in the accounts of the City. The annual instalments are paid from the general revenues of the City each year.

- c) In 1984, a Supplementary Agreement was entered into for the Police Force. The agreement provides for an unreduced early retirement pension for members with a normal retirement age of 60 years who retire within 10 years of normal retirement age and who have either completed 30 or more years of service with the employer or have become permanently partially disabled as determined by the employer. The cost to discharge the liability arising from this agreement was \$463,710 and is repayable in equal annual instalments of principal and interest totalling \$54,175 for 15 years commencing in 1984. The balance of the liability at December 31, 1985 was \$428,187 (1984 - \$446,632). The cost is subject to actuarial review and revaluation every three years.

This liability is not reflected in the accounts of the City. The annual instalments are paid from the general revenues of the City each year.

The approval of the Ontario Municipal Board is not required for these long term liabilities.

6. LIABILITY FOR EMPLOYEE BENEFITS

As at December 31, 1985 the City has incurred a liability for the following employee benefits:

a) Sick Leave Plan

Under the sick leave benefit plan, unused sick leave can accumulate and employees may become entitled to a cash payment when they leave the employment of the City. The liability for these accumulated days, to the extent that they have vested and could be taken in cash by employees on termination amounted to \$3,172,986 (1984 - \$2,925,113) at the end of the year.

b) Workers' Compensation

The City is designated as a Schedule 2 employer under the Workers' Compensation Act. As such, the City is directly liable for all claims of accidental injury or industrial disease and does not participate with other employers on a pooled basis. All claims and awards made by the Workers' Compensation Board to December 31, 1985 have been recognized in the accounts except for pension deposits of \$62,797 (1984 \$32,120) which have been requested by the Board but are presently under appeal.

**THE CORPORATION OF THE CITY OF NEPEAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1985**

A provision for sick leave and worker's compensation liabilities has been set aside in a reserve fund. The balance in the reserve fund as at December 31, 1985 was \$2,925,604 (1984 - \$2,729,459).

c) Vacation

Unused vacation entitlements to be provided to employees by either paid time-off or cash upon termination amounted to \$464,030 (1984 - \$424,943) at the end of the year. No provision has been made in the accounts for this amount.

7. NET LONG-TERM LIABILITIES

- a) The balance of net long-term liabilities reported on the "Consolidated Balance Sheet" is made up of the following:

	<u>1985</u> (\$)	<u>1984</u> (\$)
Total long term liabilities incurred by the municipality including those incurred on behalf of former school boards, other municipalities and municipal enterprises and outstanding at the end of the year amount to	1,817,318	4,723,548
In addition, the municipality has assumed responsibility for the payment of principal and interest charges on certain long term liabilities issued by other municipalities. At the end of the year, the principal amount of this liability is	28,587,499	29,459,259
Of the long term liabilities shown above, the responsibility for payment of principal and interest charges has been assumed by school boards, municipal enterprises and other municipalities. At the end of the year, the outstanding principal amount of this liability is	(10,980,341)	(13,673,870)
Of the long term liabilities shown above, the responsibility for loans has been assumed by individuals, with respect to tile drainage loans. At the end of the year, the outstanding principal amount of this liability is	(360,127)	(377,471)
The total value of sinking funds and the balance in the Ministry of the Environment Debt Retirement Fund which have been accumulated to the end of the year to retire the outstanding long-term liabilities included above amount to	<u>(4,386,129)</u>	<u>(3,712,997)</u>
Net long term liabilities at the end of the year	<u>14,678,220</u>	<u>16,418,469</u>

**THE CORPORATION OF THE CITY OF NEPEAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1985**

- b) Of the net long-term liabilities reported in paragraph (a) of this note, \$12,627,549 (1984 - \$13,768,237) in principal payments (including sinking fund deposits) are recoverable from general municipal revenues, \$1,120,000 (1984 - \$1,280,000) in principal payments are recoverable from reserve funds and \$930,671 (1984 - \$1,370,232) represents total interest to be earned by sinking funds.

Principal payments (including sinking fund deposits) and interest payments recoverable from general municipal revenues are payable as follows:

Recoverable from general municipal revenues						
Year	General purpose mill rate		Special area rates		Special rates charged to benefitting landowners	
	Principal (\$)	Interest (\$)	Principal (\$)	Interest (\$)	Principal (\$)	Interest (\$)
1986	669,590	1,055,280	182,724	346,975	254,836	387,131
1987	612,425	1,010,473	187,235	333,160	245,836	358,877
1988	611,121	968,885	191,915	318,821	219,006	331,275
1989	605,240	926,822	197,426	304,059	235,176	305,133
1990	639,191	884,034	202,106	288,675	236,176	277,101
1991	649,109	831,328	208,957	272,746	237,347	246,186
1992	639,452	783,030	216,978	256,052	199,517	216,565
1993	518,519	734,524	222,659	238,653	208,687	192,789
1994	429,036	382,346	212,535	169,551	222,027	167,886
1995	455,228	343,925	221,726	150,561	225,197	141,350
1996	265,589	313,422	232,087	130,563	168,367	117,790
1997	213,135	294,542	124,818	114,260	103,893	98,578
1998	182,545	251,618	111,165	31,869	114,233	82,593
1999	134,568	22,035	122,867	19,728	124,573	65,077
2000	145,100	7,527	128,718	6,677	136,914	45,999
2001	-	-	-	-	121,000	26,545
2002	-	-	-	-	41,000	6,672
	<u>6,769,848</u>	<u>8,809,791</u>	<u>2,763,916</u>	<u>2,982,350</u>	<u>3,093,785</u>	<u>3,067,547</u>

Principal payments recoverable from reserve funds in the amount of \$1,120,000 constitute the balance of an Ontario Housing Action Program interest-free loan from the Ontario Ministry of Housing which is repayable in equal annual instalments of \$160,000 due January 1, 1992.

- c) Included in "Net long term liabilities" on the "Consolidated Balance Sheet" is an amount of \$5,471,000 (1984 - \$5,954,000) payable in U.S. dollars, which was converted into Canadian dollars at the rate of exchange prevailing when the liability was incurred and is stated as Canadian dollars \$5,962,875 (1984 - \$6,466,491). If the liability was converted into Canadian dollars at the exchange rate prevailing at December 31, 1985, the liability would be increased by \$1,682,847 (1984 - \$1,449,352).

**THE CORPORATION OF THE CITY OF NEPEAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1985**

The City and the Regional Municipality of Ottawa-Carleton on behalf of the City hold reserve funds for the purpose of defraying a portion of the exchange costs to be incurred on future payments of principal and interest on debentures denominated in U.S. currency. The balances in the reserve funds at December 31, 1985 amounted to \$728,831 (1984 - \$841,827) and were held as follows:

	<u>1985</u>	<u>1984</u>
by the City	240,984	351,899
by the Regional Municipality of Ottawa-Carleton	<u>487,847</u>	<u>489,928</u>
	<u>728,831</u>	<u>841,827</u>

- d) Approval of the Ontario Municipal Board has been obtained for the long-term liabilities reported on the "Consolidated Balance Sheet."

**8. RESOURCES AVAILABLE (DEFICIENCIES YET TO BE FINANCED) AT THE
END OF THE YEAR**

The balance on the "Consolidated Statement of Operations" of resources available (deficiencies yet to be financed) of \$33,565,040 (1984 - \$25,920,011) at the end of the year is comprised of the following:

	<u>1985</u>	<u>1984</u>
	(\$)	(\$)
a) TO BE USED TO OFFSET TAXATION		
Accumulated net revenue:		
for general reduction of taxation	500,000	800,000
for City of Nepean Public Library Board	1,402	31,311
for benefitting landowners related to:		
special charges	158,382	181,509
special areas	<u>66,889</u>	<u>1,053</u>
	<u>726,673</u>	<u>1,013,873</u>
b) UNAPPLIED CAPITAL RECEIPTS		
Funds available for the acquisition of fixed assets	<u>172,002</u>	<u>321,530</u>
c) CAPITAL EXPENDITURES NOT YET PERMANENTLY FINANCED		
Acquisition of fixed assets to be financed from:		
taxation or user charges	(41,741)	(43,076)
proceeds of long-term liabilities	(1,611,401)	(4,788,416)
reserves and reserve funds	(587)	(46,771)
subdividers and others	<u>(79,153)</u>	<u>(48,431)</u>
	<u>(1,732,882)</u>	<u>(4,926,694)</u>

THE CORPORATION OF THE CITY OF NEPEAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1985

	<u>1985</u> (\$)	<u>1984</u> (\$)
d) RESERVES		
Set aside for specific purposes by Council:		
for working funds	336,701	306,701
for contingencies	1,143,501	1,245,238
for commitments	57,491	38,252
for elections	-	92,000
	<u>1,537,693</u>	<u>1,682,191</u>
e) RESERVE FUNDS		
Set aside for specific purposes by legislation, regulation or agreement:		
for replacement of equipment	89,160	59,740
for the development of municipal works, construction or structures	10,168,402	7,436,634
for recreational land	1,059,374	934,670
for debt repayment	851,766	932,577
for loans under the Ontario Home Renewal Program	-	64,806
other	<u>31,818</u>	<u>31,818</u>
	<u>12,200,520</u>	<u>9,460,245</u>
Set aside for specific purposes by Council:		
for replacement of equipment	971,319	854,592
for employee benefits	3,106,630	2,954,233
for insurance	257,882	228,266
for capital expenditures	16,033,590	13,949,475
for debt repayment	240,984	351,899
other	<u>50,629</u>	<u>30,401</u>
	<u>20,661,034</u>	<u>18,368,866</u>
Total reserve funds	<u>32,861,554</u>	<u>27,829,111</u>
TOTAL RESOURCES AVAILABLE	<u>33,565,040</u>	<u>25,920,011</u>

- f) Approval of the Ontario Municipal Board has been obtained for the pending issue of long-term liabilities and for those commitments to be financed from revenues beyond the term of Council.

**THE CORPORATION OF THE CITY OF NEPEAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1985**

9. OPERATIONS OF SCHOOL BOARDS AND THE REGIONAL MUNICIPALITY OF OTTAWA-CARLETON

The taxation, requisition and overlevies (underlevies) of the school boards and the Regional Municipality of Ottawa-Carleton are comprised of the following:

	<u>School Boards</u> (\$)	<u>Regional Municipality</u> (\$)
Taxation	40,979,493	18,860,179
Requisitions	<u>40,978,998</u>	<u>18,886,057</u>
Overlevies (underlevies) for the year	495	(25,878)
Overlevies (underlevies) at the beginning of the year	<u>(489)</u>	<u>190,393</u>
Overlevies at the end of the year	<u><u>6</u></u>	<u><u>164,515</u></u>

The overlevies (underlevies) at the end of the year are reported as other current liabilities (other current assets) on the "Consolidated Balance Sheet".

10. PROCEEDS FROM THE ISSUE OF LONG-TERM LIABILITIES - NET

	<u>1985</u> (\$)	<u>1984</u> (\$)
During the year long-term liabilities were issued on behalf of the City of Nepean in the amount of	539,900	634,700
Of the above, the responsibility for the payment of principal and interest charges has been assumed by:		
The Hydro-Electric Commission of the City of Nepean	(500,000)	(500,000)
Individuals with respect to tile drainage loans	<u>(39,900)</u>	<u>(49,700)</u>
Proceeds from the issue of long-term liabilities - net	<u><u>-</u></u>	<u><u>85,000</u></u>
Portion of above net proceeds assumed by the Regional Municipality of Ottawa-Carleton	<u><u>-</u></u>	<u><u>85,000</u></u>

**THE CORPORATION OF THE CITY OF NEPEAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1985**

3

11. CHARGES FOR NET LONG TERM LIABILITIES

Total charges for the year for net long-term liabilities which are included on the "Consolidated Statement of Operations" are as follows:

	<u>1985</u>	<u>1984</u>
	(\$)	(\$)
Principal payments including contributions to sinking funds and to the Ministry of the Environment Debt Retirement Fund	1,289,943	1,374,293
Interest payments	1,887,234	1,977,578
Principal and interest savings on redemptions	<u>(28,453)</u>	<u>(2,632)</u>
	3,148,724	3,349,239
Exchange costs incurred in excess of exchange costs based upon rates prevailing when debt was issued	<u>301,554</u>	<u>302,092</u>
	<u><u>3,450,278</u></u>	<u><u>3,651,331</u></u>

The charges for long-term liabilities assumed by the Hydro-Electric Commission of the City of Nepean or by individuals in the case of the tile drainage loans are not reflected in these statements.

12. CONTINGENT LIABILITIES

- a) The municipality is contingently liable for long-term liabilities with respect to tile drainage loans, and to those for which the responsibility for payment of principal and interest has been assumed by other municipalities, school boards and municipal enterprises. The net amount outstanding as at December 31, 1985 is \$9,473,808 (1984 - \$12,369,254) and is not recorded on the "Consolidated Balance Sheet.
- b) As at December 31, 1985, certain legal actions and claims for compensation in expropriation proceedings are pending against the City; the outcome of these matters is indeterminate at the present time. The financial statements do not reflect any liability with respect to these matters.

13. NONACCRUAL OF INTEREST ON LONG-TERM LIABILITIES

No provision has been made in these financial statements for the accrual of interest on net long-term liabilities. Had this provision been made the municipal fund balances as at December 31, 1985 would have been decreased by \$544,853 (1984 - \$621,461).

THE CORPORATION OF THE CITY OF NEPEAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1985

14. ASSESSMENT APPEALS

As at December 31, 1985 a number of assessment appeals were before the Courts and unresolved. Most appeals relate to multi-residential assessments for the tax years 1976 to 1979 and 1984. In management's opinion it is unlikely that these appeals will be successful and consequently no allowances have been provided.

15. COMMITMENTS

Of the reserves and reserve funds of \$34,399,247 approximately \$4,743,000 has been committed to fund capital projects, purchase orders issued, past service pensions, debt repayments and local improvement commutations for which agreements had been entered into, contracts had been let and estimated amounts required to complete certain expropriation of lands commenced prior to the year-end.

16. FINANCIAL STATEMENT PRESENTATION

In certain instances, comparative amounts for the year ended December 31, 1984 have been restated to conform with the financial statement presentation adopted for the current year.

THE CORPORATION OF THE CITY OF NEPEAN

TRUST FUNDS

FINANCIAL STATEMENTS

1985

WARD MALLETTE CHARTERED ACCOUNTANTS

The Mallorn Centre, 301 Moodie Drive, Suite 400, Nepean, Ontario, Canada K2H 9C4 (613) 820-8010

AUDITOR'S REPORT

To the Members of Council,
Inhabitants and Ratepayers
of THE CORPORATION OF THE
CITY OF NEPEAN

We have examined the balance sheet of the trust funds of The Corporation of the City of Nepean as at December 31, 1985 and the statement of continuity of the trust funds for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the trust funds of The Corporation of the City of Nepean as at December 31, 1985 and the continuity of the trust fund for the year then ended in accordance with the accounting principles prescribed for Ontario Municipalities applied on a basis consistent with that of the preceding year.

Ward Mallette

Nepean, Ontario
March 21, 1986
Licence No. 1134

**THE CORPORATION OF THE CITY OF NEPEAN
TRUST FUNDS
BALANCE SHEET
AS AT DECEMBER 31, 1985**

	STREETSCAPING AND BOULEVARD PLANTING	ONTARIO HOME RENEWAL PROGRAM	MORTGAGE DISCHARGE FUNDS
	(\$)	(\$)	(\$)
ASSETS			
Cash		5,253	680
Investments (Note 5)	18,962	41,000	818,000
Loans receivable (Note 6)		19,574	
	<u>18,962</u>	<u>65,827</u>	<u>818,680</u>
FUND BALANCES			
Capital	18,000		818,000
Income	<u>962</u>	<u>65,827</u>	<u>680</u>
	<u>18,962</u>	<u>65,827</u>	<u>818,680</u>

**STATEMENT OF CONTINUITY
FOR THE YEAR ENDED DECEMBER 31, 1985**

	STREETSCAPING AND BOULEVARD PLANTING	ONTARIO HOME RENEWAL PROGRAM	MORTGAGE DISCHARGE FUNDS
	(\$)	(\$)	(\$)
BALANCES AT THE BEGINNING OF THE YEAR (Note 3)	<u>18,365</u>	<u>64,806</u>	
REVENUES			
Mortgage discharge funds received			800,000
Interest earned	<u>1,733</u>	<u>4,058</u>	<u>18,680</u>
Total revenues	<u>1,733</u>	<u>4,058</u>	<u>818,680</u>
EXPENDITURES			
Acquisition of trees	1,136		
Loans forgiven		2,350	
Administration charges		687	
	<u>1,136</u>	<u>3,037</u>	
BALANCES AT THE END OF THE YEAR	<u>18,962</u>	<u>65,827</u>	<u>818,680</u>

The accompanying notes are an integral part of this financial statement.

**THE CORPORATION OF THE CITY OF NEPEAN
TRUST FUNDS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1985**

1. ACCOUNTING POLICIES

The financial statements of The Corporation of the City of Nepean Trust Funds has been prepared by management in accordance with accounting principles prescribed by the Ministry of Municipal Affairs of Ontario.

Revenues and expenditures are reported on the accrual basis of accounting which recognizes revenues as they become available and measurable and expenditures as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

2. STREETSCAPING AND BOULEVARD PLANTING TRUST FUND

This trust fund was established by Trustees of the City View Community Association Tree Committee and The Corporation of the City of Nepean in 1981 for the purpose of acquiring trees for streetscaping and boulevard planting in the City of Nepean and to assist the Ottawa and District Association for the Mentally Retarded to establish and operate a plant nursery in the City.

3. ONTARIO HOME RENEWAL PROGRAM TRUST FUND

The Ontario Home Renewal Program was established by the Ontario Ministry of Housing in 1973 to provide grants for municipalities to make loans to assist owner occupants to repair, rehabilitate and improve their homes to local property standards. Individual loans are limited to \$7,500 of which the maximum forgivable portion is \$4,000.

Effective January 1, 1985, amendments to regulations require that the Ontario Home Renewal Program funds be accounted for as a trust fund and no longer as a reserve fund. The transfer of the fund balance of \$64,806 from the reserve fund is reflected as the balance at the beginning of the year in the trust fund.

4. MORTGAGE DISCHARGE FUNDS TRUST FUND

This trust fund was established by the Corporation of the City of Nepean and the vendor/mortgagor and mortgagee in a transaction of purchase and sale of lands for non-profit housing purposes in the City of Nepean. The City is required to hold in trust the funds paid to discharge the mortgage on the said lands, in the amount of \$800,000, together with interest thereon, pending an agreement between the vendor/mortgagor and the mortgagee or a determination by the courts as to the disposition of the funds.

THE CORPORATION OF THE CITY OF NEPEAN
TRUST FUNDS
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1985

5. INVESTMENTS

The investments of the trust funds are recorded on the Balance Sheet at cost. The market values of these investments are as follows:

<u>Trust Fund</u>	<u>Market Value</u>
	\$
Streetscaping and Boulevard Planting	18,962
Ontario Home Renewal Program	41,000
Mortgage Discharge Funds	818,000

6. LOANS RECEIVABLE

Ontario Home Renewal Program loans receivable at December 31, 1985 comprise repayable loans of \$14,874 (1984 - \$16,067) and forgivable loans of \$4,700 (1984 - \$3,800). Loan forgiveness is earned and recorded at a rate of up to \$600 per year of continued ownership and occupancy. In the event of the sale or lease of the home or in the event of the homeowner ceasing to occupy the home, the balances of the repayable loan and the unearned forgivable loan immediately become due and payable by the homeowner.

THE HYDRO-ELECTRIC COMMISSION OF THE CITY OF NEPEAN

FINANCIAL STATEMENTS

1985

WARD MALLETTE CHARTERED ACCOUNTANTS

The Mallorn Centre, 301 Moodie Drive, Suite 400, Nepean, Ontario, Canada K2H 9C4 (613) 820-8010

AUDITOR'S REPORT

To the Chairman and Members of the Board
THE HYDRO-ELECTRIC COMMISSION OF
THE CITY OF NEPEAN

We have examined the balance sheet of The Hydro-Electric Commission of The City of Nepean as at December 31, 1985 and the statements of income and retained earnings and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Commission as at December 31, 1985 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting principles prescribed for Ontario Hydro Electric Commissions applied on a basis consistent with that of the preceding year.

Ward Mallette

Nepean, Ontario
March 26, 1986
Licence No. 1134

**THE HYDRO-ELECTRIC COMMISSION OF THE CITY OF NEPEAN
BALANCE SHEET
AS AT DECEMBER 31, 1985**

	<u>1985</u> <u>(\$)</u>	<u>1984</u> <u>(\$)</u>
ASSETS		
CURRENT		
Cash	957,996	991,994
Term deposits	3,466,826	3,335,097
Accounts receivable	1,381,620	1,481,589
Accrued unbilled revenue	4,762,000	4,168,880
Inventory	1,211,169	1,057,339
Prepaid expense	26,961	18,706
	<u>11,806,572</u>	<u>11,053,605</u>
FIXED (Note 2)	<u>21,039,154</u>	<u>19,570,457</u>
OTHER		
Deferred charges	12,300	24,600
Unamortized debenture discount and expense	96,635	105,053
OMERS past service pension (Note 4)	773,335	397,245
	<u>882,270</u>	<u>526,898</u>
	<u><u>33,727,996</u></u>	<u><u>31,150,960</u></u>
LIABILITIES AND EQUITY		
CURRENT		
Accounts payable and accrued liabilities	3,916,439	3,282,081
Current portion of long-term debt	682,307	641,515
	<u>4,598,746</u>	<u>3,923,596</u>
OTHER		
Customer deposits	123,955	112,895
Long-term debt (Note 3)	3,986,178	4,189,966
OMERS past service pension (Note 4)	773,335	397,245
Due to Ontario Hydro (Note 5)	1,241,211	971,010
	<u>6,124,679</u>	<u>5,671,116</u>
EQUITY		
Retained earnings	<u>23,004,571</u>	<u>21,556,248</u>
	<u><u>33,727,996</u></u>	<u><u>31,150,960</u></u>

**THE HYDRO-ELECTRIC COMMISSION OF THE CITY OF NEPEAN
STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED DECEMBER 31, 1985**

	<u>1985</u>	<u>1984</u>
	(\$)	(\$)
SALE OF ENERGY		
Residential	17,590,124	15,723,230
Commercial and industrial	18,396,885	16,666,644
Street lighting	<u>188,510</u>	<u>174,094</u>
	<u>36,175,519</u>	<u>32,563,968</u>
 COST OF SALES		
Energy purchased	30,655,797	26,700,423
Maintenance and operation	<u>1,521,913</u>	<u>1,464,225</u>
	<u>32,177,710</u>	<u>28,164,648</u>
 GROSS MARGIN	<u>3,997,809</u>	<u>4,399,320</u>
 EXPENSES		
Billing and collecting	823,121	858,942
Community relations	167,182	173,779
General administration	802,365	657,282
Financial expense	704,449	619,969
Depreciation	<u>1,089,515</u>	<u>997,873</u>
	3,586,632	3,307,845
Less: Other income	<u>1,037,146</u>	<u>1,024,291</u>
	<u>2,549,486</u>	<u>2,283,554</u>
 NET INCOME FOR THE YEAR	1,448,323	2,115,766
 RETAINED EARNINGS, BEGINNING OF YEAR (Note 6)	<u>21,556,248</u>	<u>19,599,539</u>
	23,004,571	21,715,305
 TRANSFER TO KANATA HYDRO-ELECTRIC COMMISSION	<u>-</u>	<u>159,057</u>
 RETAINED EARNINGS, END OF YEAR	<u>23,004,571</u>	<u>21,556,248</u>

**THE HYDRO-ELECTRIC COMMISSION OF THE CITY OF NEPEAN
STATEMENT OF CHANGES IN FINANCIAL POSITION
FOR THE YEAR ENDED DECEMBER 31, 1985**

	<u>1985</u> (\$)	<u>1984</u> (\$)
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Net income for the year	1,448,323	2,115,766
Net charges to operations not requiring a current cash payment		
Depreciation	1,230,252	1,112,911
Amortization of contributed capital	(140,737)	(115,038)
Amortization of other assets	25,800	26,014
Gain on disposal of assets	(20,679)	(3,842)
	<u>2,542,959</u>	<u>3,135,811</u>
Net change in non-cash working capital balances related to operations		
Decrease (increase) of accounts receivable	99,969	(492,856)
Increase of unbilled revenue	(593,120)	(266,310)
Increase of inventory	(153,830)	(107,346)
Decrease (increase) of prepaid expenses	(8,255)	43,946
Increase (decrease) of current portion of debt	40,792	(190,485)
Increase of accounts payable	<u>634,358</u>	<u>318,543</u>
	<u>2,562,873</u>	<u>2,441,303</u>
CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES		
Additions to fixed assets	(3,361,335)	(3,312,010)
Capital contributions received	823,802	1,365,451
Transfer to Kanata Hydro-Electric Commission	-	(159,057)
Addition to other assets - software	-	(36,900)
	<u>(2,537,533)</u>	<u>(2,142,516)</u>
CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES		
Additions to long-term debt (net of discount)	494,918	487,878
Repayment of long-term debt	(703,788)	(724,254)
Additions to customer deposits	11,060	22,716
Repayment of vested severance pay	-	(468,364)
Additions to long-term liability - due to Ontario Hydro	<u>270,201</u>	<u>404,033</u>
	<u>72,391</u>	<u>(277,991)</u>
NET INCREASE IN CASH DURING THE YEAR	<u>97,731</u>	<u>20,796</u>
CASH AND EQUIVALENTS, BEGINNING OF YEAR	<u>4,327,091</u>	<u>4,306,295</u>
CASH AND EQUIVALENTS, END OF YEAR	<u><u>4,424,822</u></u>	<u><u>4,327,091</u></u>

**THE HYDRO-ELECTRIC COMMISSION OF THE CITY OF NEPEAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1985**

1. ACCOUNTING POLICIES

- a. The financial statements have been prepared in accordance with accounting principles for municipal electrical utilities in Ontario as required by Ontario Hydro under the authority of Section 97 of the Power Corporation Act and reflect the following policies as set forth in the manual "Accounting for Municipal Electrical Utilities in Ontario". Except for the principle set out in Note 1.g. below, all principles employed are in accordance with generally accepted accounting principles.
- b. Inventories are stated at cost, determined on the average cost method.
- c. Depreciation of fixed assets is provided at rates established by Ontario Hydro. Contributions in aid of construction received after 1979 are being amortized at the same rate as the rate used for the depreciation of the related fixed asset. Effective January 1, 1980, Ontario Hydro established new rates of depreciation. These changes in accounting policy have not been retroactively applied.
- d. Debenture discount and expense are amortized on a straight-line basis over the terms of the related obligations.
- e. Pension costs for current service are charged to earnings on a current basis.
- f. Revenue is recognized in the financial statements on the accrual basis when the energy is supplied to the users, whether billed or unbilled.
- g. Long-term obligations payable in United States dollars are stated at par value with the Canadian dollar.

**THE HYDRO-ELECTRIC COMMISSION OF THE CITY OF NEPEAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1985**

2. FIXED ASSETS

	1985		1984
	Cost	Accumulated Depreciation	Net Book Value
	(\$)	(\$)	(\$)
Plant	31,880,485	8,169,077	23,711,408
Water heaters	1,877,096	1,198,368	678,728
Vehicles	791,644	440,048	351,596
General office equipment	290,026	145,719	144,307
Tools and equipment	267,592	183,107	84,485
Computer hardware	259,300	99,819	159,481
	<u>35,366,143</u>	<u>10,236,138</u>	<u>25,130,005</u>
Less: Contributions in aid of construction	<u>(4,491,094)</u>	<u>(400,243)</u>	<u>(4,090,851)</u>
	<u>30,875,049</u>	<u>9,835,895</u>	<u>21,039,154</u>
			<u>19,570,457</u>

3. LONG-TERM DEBT

	1985	1984
	(\$)	(\$)
5 3/4 % Debenture due 1985	-	8,000
6 1/2 % Debenture due 1986	104,000	201,000
8 % Debenture due 1986 repayable in U.S. dollars	75,000	150,000
7 1/2 % Debenture due 1986-1987	93,000	134,000
7 1/2 % Debenture due 1986-1987	4,000	6,000
7 3/4 % Debenture due 1986-1988	285,000	366,000
7 3/4 % Debenture due 1986-1988	129,000	166,000
9 3/8 % Debenture due 1986-1996 repayable in U.S. dollars	275,000	300,000
9 1/4 % Sinking fund debenture due 1989	900,000	900,000
9 % Sinking fund debenture due 1990	200,000	200,000
14 3/4 % Debenture due 1986-1997 repayable in U.S. dollars	1,200,000	1,300,000
12 1/2 % Debenture due 1986-1992	560,000	640,000
10 3/4 % Debenture due 1986-1988	183,000	244,000

**THE HYDRO-ELECTRIC COMMISSION OF THE CITY OF NEPEAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1985**

	<u>1 9 8 5</u> (<u>\$</u>)	<u>1 9 8 4</u> (<u>\$</u>)
12 % Sinking fund debenture due 1993	795,000	795,000
12 1/2 % Sinking fund debenture due 1994	500,000	500,000
Varying rate Debenture due 1986-2000	<u>500,000</u>	<u>-</u>
	5,803,000	5,910,000
Less: Sinking funds	<u>1,134,515</u>	<u>1,078,519</u>
	4,668,485	4,831,481
Less: Amounts due within one year recorded in current liabilities	<u>682,307</u>	<u>641,515</u>
	<u><u>3,986,178</u></u>	<u><u>4,189,966</u></u>

- a. The principal payments required for the next five years are:

	(\$)
1986 -	682,307
1987 -	515,179
1988 -	475,105
1989 -	401,239
1990 -	401,038

- b. The sinking fund debentures due in 1989 and 1990 do not require any further provisions as it is estimated that the present funds will earn sufficient income to repay the debt upon maturity. The sinking fund debenture due 1993 does not require contributions to the sinking fund until 1989.
- c. The amount of long-term debt payable in U.S. dollars is \$1,550,000 (1984 - \$1,750,000). If the total of the liability was expressed in Canadian dollars at the exchange rate prevailing at December 31, 1985, the liability would be increased by \$617,365 (1984 - \$560,350).

The Regional Municipality of Ottawa-Carleton is holding a reserve fund on behalf of the Commission in the amount of \$326,584 that will be used to meet foreign exchange costs as they are incurred.

**THE HYDRO-ELECTRIC COMMISSION OF THE CITY OF NEPEAN
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1985**

4. OMERS PAST SERVICE PENSION

During the year certain pension benefits were improved thereby giving rise to increased unfunded past service obligations of \$773,335 (1984 - \$397,245). The unfunded liability will be paid by annual blended instalments of \$95,974 for 13 years and \$47,609 for one additional year. These amounts will be charged to earnings as paid.

5. DUE TO ONTARIO HYDRO

	<u>1985</u>	<u>1984</u>
Repayable in three instalments of \$413,737, without interest, commencing January 1987	<u>\$ 1,241,211</u>	<u>\$ 971,010</u>

6. RETAINED EARNINGS, BEGINNING OF YEAR

As a result of a billing error by Ontario Hydro, for the period from May 1982 to September 1985, the Commission has incurred additional energy costs of \$1,241,211. Of this amount, \$270,201 has been recorded as an additional cost of energy for 1985. The balance of retained earnings as at January 1, 1985 has been adjusted by the cumulative amount by which the cost of energy as at that date has been increased. \$404,033 of the adjustment is applicable to 1984 and has been charged to income for that year. The remainder is applicable to years prior to January 1, 1984 and the balance of retained earnings at that date has been adjusted accordingly.

	<u>1985</u>	<u>1984</u>
Retained earnings, beginning of year		
As previously reported	\$22,527,258	\$20,166,516
Adjustment for the cumulative effect on prior years	<u>971,010</u>	<u>566,977</u>
As restated	<u>\$21,556,248</u>	<u>\$19,599,539</u>

7. EQUITY IN ONTARIO HYDRO

Ontario Hydro is owned by its customers. The Hydro-Electric Commission of the City of Nepean's proportionate ownership is \$12,800,877 (1984 - \$11,301,152). This equity has been used by Ontario Hydro to retire its own long-term debt. This investment is not available to the Commission and therefore, both the investment and the related equity have been removed from the balance sheet.

8. COMPARATIVE AMOUNTS

Certain comparative amounts for 1984 have been restated to conform with the financial statement presentation adopted for the current year.

CITY OF NEPEAN PUBLIC LIBRARY BOARD

FINANCIAL STATEMENTS

1985

WARD MALLETTE CHARTERED ACCOUNTANTS

The Mallorn Centre, 301 Moodie Drive, Suite 400, Nepean, Ontario, Canada K2H 9C4 (613) 820-8010

AUDITOR'S REPORT

To the Members of the
CITY OF NEPEAN PUBLIC LIBRARY BOARD
and Council of The Corporation
of the City of Nepean

We have examined the consolidated balance sheet of the City of Nepean Public Library Board as at December 31, 1985 and the consolidated statement of operations for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of the City of Nepean Public Library Board as at December 31, 1985 and the results of its operations for the year then ended in accordance with the accounting principles generally accepted for Ontario municipalities applied on a basis consistent with that of the preceding year.

Ward Mallette

Nepean, Ontario
February 10, 1986
Licence No. 1134

**CITY OF NEPEAN PUBLIC LIBRARY BOARD
CONSOLIDATED BALANCE SHEET
AS AT DECEMBER 31, 1985**

	<u>1985</u>	<u>1984</u>
	(\$)	(\$)
ASSETS		
CURRENT		
Cash	9,112	81,340
Due from City of Nepean	<u>52,487</u>	<u>44,520</u>
	61,599	125,860
CAPITAL OUTLAY TO BE RECOVERED IN FUTURE YEARS	<u>338,000</u>	<u>378,000</u>
	<u><u>399,599</u></u>	<u><u>503,860</u></u>
LIABILITIES AND EQUITY		
CURRENT		
Accounts payable and accrued liabilities	60,197	94,549
LONG-TERM LIABILITIES (Notes 2 and 3)	<u>338,000</u>	<u>378,000</u>
	398,197	472,549
EQUITY		
Accumulated net revenue	<u>1,402</u>	<u>31,311</u>
	<u><u>399,599</u></u>	<u><u>503,860</u></u>

The accompanying notes are an integral part of this financial statement.

**CITY OF NEPEAN PUBLIC LIBRARY BOARD
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 1985**

	<u>1985</u> <u>Budget</u>	<u>1985</u> <u>Actual</u>	<u>1984</u> <u>Actual</u>
	(\$)	(\$)	(\$)
REVENUE			
Municipal contribution	1,980,895	1,980,900	1,733,700
Province of Ontario grants	200,250	205,466	196,818
Canada grants	-	-	14,041
Regional Library System grant	-	14,609	14,000
Fees, fines and sundry	80,700	94,468	91,007
Interest	6,300	5,966	7,468
Transfer from reserve (Note 4)	-	-	38,110
Photocopies	<u>17,440</u>	<u>16,579</u>	<u>17,273</u>
	<u>2,285,585</u>	<u>2,317,988</u>	<u>2,112,417</u>
EXPENDITURE			
Salaries, wages and benefits	1,478,487	1,487,647	1,397,227
Books and periodicals	295,773	327,062	295,638
Library and office supplies	70,356	74,989	65,973
Utilities	77,000	73,358	63,124
Insurance	13,380	12,983	12,505
Bookmobile and building maintenance	79,320	75,878	80,238
Professional fees	17,610	30,198	12,025
Administration	64,170	61,719	54,326
Charges for long-term liabilities	70,325	70,325	70,233
Rent - Dickinson Branch	96,000	96,000	96,000
Capital expenditures	<u>33,505</u>	<u>37,738</u>	<u>43,750</u>
	<u>2,295,926</u>	<u>2,347,897</u>	<u>2,191,039</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURE FOR THE YEAR	<u>(10,341)</u>	(29,909)	(78,622)
ACCUMULATED NET REVENUE, BEGINNING OF YEAR		<u>31,311</u>	<u>109,933</u>
ACCUMULATED NET REVENUE, END OF YEAR		<u>1,402</u>	<u>31,311</u>

The accompanying notes are an integral part of this financial statement.

**CITY OF NEPEAN PUBLIC LIBRARY BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1985**

1. ACCOUNTING POLICIES

a. Basis of Consolidation

i. Consolidated Balance Sheet

This statement reflects the assets and liabilities of the revenue fund, reserves and the capital fund.

ii. Consolidated Statement of Operations

This statement reflects the consolidated sources of financing and expenditures of the revenue fund, reserves and the capital fund.

b. Basis of Accounting

i. Sources of financing and expenditures are reported on the accrual basis of accounting with the exception of principal and interest charges on long-term liabilities which are charged against operations in the periods in which they are paid. The principal and interest charges are not accrued for the periods from the dates of the latest instalment payments to the end of the financial year.

ii. The accrual basis of accounting recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

iii. Inventories of Books and Supplies

No value is attached to inventories for municipal reporting purposes. Expenditures on books and supplies are charged against current revenues as they are received.

iv. Capital Outlay to be Recovered in Future Years

The historical cost and accumulated depreciation of fixed assets are not reported for municipal purposes. Instead the "Capital outlay to be recovered in future years", which is the aggregate of the outstanding principal portion of unmatured long-term liabilities, is reported on the "Consolidated Balance Sheet".

2. LONG-TERM LIABILITIES

a. Principal repayments due on long-term liabilities for the next five years are as follows:

	(\$)
1986 -	43,000
1987 -	45,000
1988 -	50,000
1989 -	49,000
1990 -	53,000

CITY OF NEPEAN PUBLIC LIBRARY BOARD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1985

- b. Approval of the Ontario Municipal Board has been obtained for the long-term liabilities reported in the "Consolidated Balance Sheet".
- c. No provision has been made in these financial statements for the accrual of interest on long-term liabilities. Had this provision been made the accumulated net revenue as at December 31, 1985 would have been decreased by \$5,564 (1984 - \$6,029).

3. LIABILITY FOR VESTED SICK LEAVE BENEFITS

Under a sick leave benefit plan, employees may become entitled to a cash payment based on sick leave accumulated to the time they terminate their employment.

The liability for these accumulated days, to the extent that they have vested and could be taken in cash by an employee on terminating amounted to approximately \$129,000 (1984 - \$102,000).

No provision has been made for this liability in the financial statements.

4. RESERVE FOR JOB EVALUATION PROJECT

Due to salary and wage restraint legislation, the implementation of the results of a job evaluation project were delayed until 1984. The balance at December 31, 1983 in the reserve for job evaluation project of \$38,110 has been transferred in 1984 to the general fund to offset the additional salaries paid in 1984 as a result of this project.

5. LEASE COMMITMENTS

The Board leases the Dickinson Branch under a rental agreement with the City of Nepean that expires in 1997 at an annual rental of \$96,000.

OTTAWA-NEPEAN MUNICIPAL TENT AND TRAILER PARK

FINANCIAL STATEMENTS

1985

WARD MALLETTE CHARTERED ACCOUNTANTS

The Mallorn Centre, 301 Moodie Drive, Suite 400, Nepean, Ontario, Canada K2H 9C4 (613) 820-8010

AUDITOR'S REPORT

To the Chairman and Members,
OTTAWA-NEPEAN CAMPSITE AUTHORITY

We have examined the balance sheet of the Ottawa-Nepean Municipal Tent and Trailer Park as at December 31, 1985 and the statement of operations for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances, except as explained in the following paragraph.

We were unable to verify the sales recorded at the campsite store due to the lack of an adequate system of internal control.

In our opinion, except for the effect of adjustments, if any, which might have been required had the sales of the campsite store been susceptible to satisfactory audit tests, the attached financial statements present fairly the financial position of the Ottawa-Nepean Municipal Tent and Trailer Park as at December 31, 1985 and the results of its operations for the year then ended in accordance with accounting principles generally accepted for municipalities in Ontario applied on a basis consistent with that of the preceding year.

Ward Mallette

Nepean, Ontario
April 7, 1986
Licence No. 1134

OTTAWA-NEPEAN MUNICIPAL TENT AND TRAILER PARK
BALANCE SHEET
AS AT DECEMBER 31, 1985

ASSETS

	<u>1985</u> (<u>\$</u>)	<u>1984</u> (<u>\$</u>)
CURRENT		
Assets held by the City of Nepean	61,192	48,629
Inventory	<u>1,472</u>	<u>711</u>
	<u>62,664</u>	<u>49,340</u>

LIABILITIES

CURRENT

Accounts payable	103	-
------------------	-----	---

RESOURCES AVAILABLE, END OF YEAR

FUNDS RETAINED

Reserve fund	<u>62,561</u>	<u>49,340</u>
	<u>62,664</u>	<u>49,340</u>

The accompanying notes are an integral part of this financial statement.

**OTTAWA-NEPEAN MUNICIPAL TENT AND TRAILER PARK
STATEMENT OF OPERATIONS AND FUNDS RETAINED
FOR THE YEAR ENDED DECEMBER 31, 1985**

	<u>1985</u> (\$)	<u>1984</u> (\$)
OPERATING REVENUE		
Campsite rentals, picnic fees and miscellaneous charges	89,993	87,601
Interest	5,088	4,443
Laundromat and miscellaneous	4,620	4,792
Net income on store sales	<u>2,674</u>	<u>1,398</u>
	<u>102,375</u>	<u>98,234</u>
 OPERATING EXPENDITURE		
Wages - operations and maintenance	45,149	46,786
Secretary-treasurers' stipend and directors' honoraria	5,000	3,700
Employee benefits	3,387	3,924
Printing	3,021	6,933
Materials and supplies	5,854	8,208
Utilities	6,887	5,360
Telephone	661	456
Maintenance - truck	2,143	2,753
- equipment and machinery	1,268	539
- building and property	1,905	9,445
Rentals of equipment and machinery	3,148	3,287
Accounting service	4,800	4,700
Audit	1,200	1,150
Miscellaneous	<u>731</u>	<u>761</u>
	<u>85,154</u>	<u>98,002</u>
 EXCESS OF OPERATING REVENUE OVER EXPENDITURE, FOR THE YEAR	17,221	232
 FUNDS RETAINED, BEGINNING OF YEAR	<u>49,340</u>	<u>49,215</u>
	66,561	49,447
 CONTRIBUTIONS TO CAPITAL EXPENDITURES		
- lawn mower	-	107
- truck	<u>4,000</u>	<u>-</u>
 FUNDS RETAINED, END OF YEAR	<u>62,561</u>	<u>49,340</u>

The accompanying notes are an integral part of this financial statement.

**OTTAWA-NEPEAN MUNICIPAL TENT AND TRAILER PARK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1985**

1. ACCOUNTING POLICIES

The financial statements of the Ottawa-Nepean Municipal Tent and Trailer Park have been prepared in accordance with accounting principles prescribed by the Ministry of Municipal Affairs of Ontario. The more significant of these accounting policies are as follows:

a. Basis of Consolidation

(i) Consolidated Balance Sheet

This statement reflects the assets and liabilities of the revenue fund, reserve fund and capital fund of the Ottawa-Nepean Municipal Tent and Trailer Park. All interfund assets and liabilities are eliminated with the exception of loans or advances between the reserve fund and other funds of the authority.

(ii) Consolidated Statement of Operations

This statement reflects the consolidated sources of financing and expenditures of the revenue fund, reserve fund and capital fund of the Ottawa-Nepean Municipal Tent and Trailer Park. All interfund sources of financing and expenditures are eliminated between the reserve fund and other funds of the authority.

b. Basis of Accounting

- (i) Sources of financing and expenditures are reported on the accrual basis of accounting.**
- (ii) The accrual basis of accounting recognizes revenues as they become available and measurable, expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.**
- (iii) Inventory applicable to the campsite store is carried at the lower of cost and net realizable value.**
- (iv) The historical cost and accumulated depreciation of fixed assets are not disclosed for municipal financial reporting purposes. Expenditures for the acquisition of fixed assets are charged against current revenues unless the expenditures are to be financed out of the proceeds of net long-term debt.**

THE CORPORATION OF THE CITY OF NEPEAN

FINANCIAL INFORMATION RETURN

1985

1985 FINANCIAL INFORMATION RETURN

MUNICIPALITY: CITY of NEPEAN
in the Region, County or District of: OTTAWA-CARLETON

DECLARATION OF THE MUNICIPAL TREASURER

Pursuant to the determination of grants under the Ontario Unconditional Grants Act, and to the information required by the Province under the Municipal Affairs Act, the following schedules are attached:

	Attached
1 Analysis of Revenue Fund Revenues	<u>x</u>
2LT Analysis of Taxation	<u>x</u>
2UT Analysis of Upper Tier Requisitions and Direct Charges	<u>—</u>
2MA Analysis of Taxation in Merged Areas	<u>—</u>
3 Analysis of Current Revenue for Specific Functions	<u>x</u>
4 Analysis of Revenue Fund Expenditures	<u>x</u>
5 Analysis of Capital Operations	<u>x</u>
6 Analysis of Capital Grants and Own Expenditures	<u>x</u>
7 Analysis of Net Long Term Liabilities By Function	<u>x</u>
8 Analysis of Long Term Liabilities and Commitments	<u>x</u>
9LT Continuity of Upper Tier and School Board Levies	<u>x</u>
10 Continuity of Reserves and Reserve Funds	<u>x</u>
11 Analysis of Consolidated Year End Balances	<u>x</u>
12 Statistical Data	<u>x</u>
13 Grant Information	<u>x</u>
14 Grant Information	<u>—</u>

The schedules have been drawn up in accordance with the instructions provided by the Ministry of Municipal Affairs. They represent the consolidated financial activities of the municipality, all local boards, including joint boards where applicable and any other local corporate entities set up by the municipality to provide services to ratepayers. The consolidated local boards and entities are:

- City of Nepean Public Library Board
- Ottawa-Nepean Campsite Authority
-
-
-
-
-
-
-
-
-
-
-
-
-
-
-
-
-
-

Trust funds administered by the municipality and its local boards, harbour commissions, humane societies, municipal non-profit housing corporations, provincial-municipal housing authorities, sinking funds, retirement or pension plan funds, school boards, conservation authorities, children's aid societies, district health councils, municipal hospitals and gas, telephone and hydro utilities are not consolidated.

The schedules have been prepared by City of Nepean
(Auditor's firm or name of Municipality)

Questions regarding the information contained in them should be addressed to John E. M. Wilson

3825 Richmond Road, Nepean, Ontario at 613-829-1510 Ext. 213
(Area code and telephone)

Date March 21, 1986
Municipal Treasurer [Signature]

To the Ministry of
Municipal Affairs

Our examination of the financial statements of the Corporation of the City of Nepean for the year ended December 31, 1985 was made for the purpose of forming an opinion on the financial statements referred to in our auditor's report to the Members of Council, Inhabitants and Ratepayers dated March 21, 1986.

At your request, we have performed the following procedures in connection with Schedule 1 to 11 of the Financial Information Return of the Corporation of the City of Nepean for the year ended December 31, 1985:

- (a) we have compared the amounts disclosed on these schedules to the books and records of the City and found them to be in agreement;
- (b) we have added and cross-added all schedules; and
- (c) we have cross-referenced the information on the schedules where applicable.

The above-noted schedules have not been subjected to the auditing procedures applied in the examination of the financial statements and accordingly we do not express an opinion on the fair presentation of this information.

Wend Mallette

CHARTERED ACCOUNTANTS

Nepean, Ontario
March 21, 1986
Licence No. 1134

ANALYSIS OF REVENUE FUND
REVENUES

for the year ended December 31, 1985

Municipality

CITY OF NEPEAN

1
3

		total revenue	upper tier purposes	school board purposes	own purposes
Note: Upper tiers use column 4 only					
		1 \$	2 \$	3 \$	4 \$
Taxation					
Taxation from schedule 2LT (or requisitions from schedule 2UT)	1	80,579,060	18,778,814	41,212,421	20,587,825
Direct water billings on ratepayers					
— own municipality	2				
— other municipalities	3				
Sewer surcharge on direct water billings					
— own municipality	4	2,890,801			2,890,801
— other municipalities	5				
Subtotal	6	83,469,861	18,778,814	41,212,421	23,478,626
Payments in lieu of taxes					
Canada	7	2,256,998	28,236		2,228,762
Canada enterprises	8	1,369,852	14,405		1,355,447
Ontario					
The Municipal Tax Assistance Act	9	53,470	1,205		52,265
The Municipal Act, section 160	10	259,750	118,181		141,569
Other	11				
Ontario enterprises					
Ontario Housing Corporation	12	74,768	17,646	38,687	18,435
Ontario Hydro	13	900,937	7,390		893,547
Liquor Control Board of Ontario	14	20,052			20,052
Other	15	56,764	16,548	21,683	18,533
Municipal enterprises	16	83,411	723		82,688
Other municipalities and enterprises	17	460,481	3,339		457,142
Subtotal	18	5,536,483	207,673	60,370	5,268,440
Ontario unconditional grants					
Per household general	19				
Per household police	20	1,556,350			1,556,350
Per household density	21	87,156			87,156
Transitional and special assistance	22				
Resource equalization	23				
General support	24	1,716,896			1,716,896
Northern special support	25				
Apportionment guarantee	26				
Revenue guarantee	27	410,672			410,672
Subtotal	28	3,771,074			3,771,074
Revenues for specific functions					
Ontario specific grants	29	1,545,432			1,545,432
Canada specific grants	30	69,387			69,387
Other municipalities—grants and fees	31	14,609			14,609
Fees, service charges and donations	32	3,633,352			3,633,352
Subtotal	33	5,262,780			5,262,780
Other revenue					
Trailer revenue and licences	34				
Licences and permits	35	1,152,347			1,152,347
Fines	37	215,054			215,054
Penalties and interest on taxes	38	343,118			343,118
Investment income—from own funds	39	29,780			29,780
—other	40	4,153,001			4,153,001
Lot levies and subdivider contributions	41				
Sale of publications, equipment, etc.	42	137,120			137,120
Contributions from capital fund	43	30,072			30,072
Contributions from reserves and reserve funds	44				
Contributions from non consolidated entities	45	816,628			816,628
Sundry	46	11,814			11,814
U.S. Exchange	47	83,770			83,770
Commissions	48	4,400			4,400
Sale of land	49				
Subtotal	50	6,977,104			6,977,104
Total revenue	51	105,017,302	18,986,487	41,272,791	44,758,024

ANALYSIS OF TAXATION

for the year ended December 31, 1985

21T

CITY OF HEPEAN

LOCAL TAXABLE ASSESSMENT										MILL RATES				TAXES LEVIED				SUPPLEMENTARY TAXES				TOTAL TAXES
	for computer use only				residential and farm	business	commercial and industrial	residential and farm	business	commercial and industrial	residential and farm	business	commercial and industrial	residential and farm	business	commercial and industrial	residential and farm	business	total columns 6 to 11			
	1	2	3	4																5	6	7
I. Own purposes																						
(a) Levied by mill rate																						
General	0	1	0	1	0	94,673,211	22,969,327	9,061,525	118,800	139,770	11,247,180	3,210,423	1,266,329	119,020	130,987	102,346	16,076,483					
Police villages at reduced rates	0	1	0	2																		
Farms at reduced rates	0	1	0	3																		
Special area rates and police villages	0	1																				
Sanitation	0	1			93,959,026	22,748,971	8,975,845	8,310	9,780	780,800	222,485	87,784	9,059	8,251	9,059	6,972	1,113,356					
Urban Drainage	0	1			91,578,748	22,565,342	8,908,985	15,870	18,670	1,453,355	421,295	166,331	17,569	15,710	17,569	13,513	2,087,773					
Other charges on tax bills	0	1																				
Share of telephone and telegraph taxation	0	1																				
Local improvements	0	1																				
Sewer and water service charges	0	1																				
Sewer and water connection charges	0	1																				
Fire service charges	0	1																				
Minimum tax (differential only)	0	1																				
Municipal drainage charges	0	1																				
Garbage collection charges	0	1																				
Business improvement area	0	1																				
Business rates	0	1																				
Subtotal special charges on tax bills	0	1																				
Subtotal own purposes taxation	0	1																				
II. Upper tier purposes																						
(a) Levied by mill rate																						
General	0	2	0	1	0	94,673,211	22,969,327	9,061,525	73,760	86,780	6,983,097	1,993,278	786,360	73,827	81,303	63,527	9,981,392					
Special purposes	0	2																				
Trunk Sewer & Sewage Disposal	0	2			86,502,411	27,073,894	8,831,815	16,620	19,550	1,437,670	431,544	172,661	13,593	17,806	13,790	2,087,064						
Urban Transit	0	2			90,623,936	22,455,988	8,879,825	38,620	45,430	3,499,897	1,020,177	403,411	32,801	41,471	32,109	5,029,866						
Other charges on tax bills	0	2																				
Share of telephone and telegraph taxation	0	2																				
Local improvements	0	2																				
Sewer and water service charges	0	2																				
Sewer and water connection charges	0	2																				
Fire service charges	0	2																				
Subtotal special charges on tax bills	0	2																				
Subtotal upper tier taxation	0	2																				
III. School board purposes																						
Elementary public																						
General	0	3	0	1	72,141,328	20,729,675	8,153,845	174,910	205,780	12,618,245	4,265,752	1,677,898	139,792	181,143	142,111	19,024,941						
Elementary separate	0	3	0	1																		
Share of telephone and telegraph taxation	0	3	0	1																		
Local improvements	0	3	0	1																		
Sewer and water service charges	0	3	0	1																		
Sewer and water connection charges	0	3	0	1																		
Fire service charges	0	3	0	1																		
Subtotal special charges on tax bills	0	3	0	1																		
Subtotal elementary public	0	3	0	1																		
Elementary separate																						
General	0	4	0	1	22,578,527	2,239,652	907,680	159,200	187,880	3,605,790	420,786	170,535	31,748	9,716	7,159	6,245,734						
Elementary separate	0	4	0	1																		
Share of telephone and telegraph taxation	0	4	0	1																		
Local improvements	0	4	0	1																		
Sewer and water service charges	0	4	0	1																		
Sewer and water connection charges	0	4	0	1																		
Fire service charges	0	4	0	1																		
Subtotal special charges on tax bills	0	4	0	1																		
Subtotal elementary separate	0	4	0	1																		
Secondary																						
General	0	5	0	1	94,719,855	27,969,327	9,061,525	122,280	149,740	12,055,939	3,439,427	1,356,872	127,302	139,999	109,515	17,228,354						
Secondary	0	5	0	1																		
Share of telephone and telegraph taxation	0	5	0	1																		
Local improvements	0	5	0	1																		
Sewer and water service charges	0	5	0	1																		
Sewer and water connection charges	0	5	0	1																		
Fire service charges	0	5	0	1																		
Subtotal special charges on tax bills	0	5	0	1																		
Subtotal secondary	0	5	0	1																		
Subtotal all school board taxation	0	6	3	2	0																	

ANALYSIS OF CURRENT REVENUE
FOR SPECIFIC FUNCTIONS

for the year ended December 31, 1985

Municipality

CITY OF NEPEAN

3
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		Ontario specific grants	Canada grants	other municipalities- grants, fees, and service charges	fees, service charges and donations
		1 \$	2 \$	3 \$	4 \$
General government	1	2,402	2,770		185,279
Protection to persons and property	2	2,800			
Fire	3	43,286	17,788		34,965
Police	4				
Conservation authority	5		1,549		12,582
Protective inspection and control	6				
Subtotal	7	46,086	19,337		47,547
Transportation services	8	660,000			25,088
Roadways	9	461,000			3,120
Winter control	10				
Transit	11				
Parking	12				
Street lighting	13				
Air transportation	14				
Subtotal	15	1,121,000			28,208
Environmental services	16		1,642		117,823
Sanitary sewer system	17	156,000			974
Storm sewer system	18				
Waterworks system	19				
Garbage collection	20				
Garbage disposal	21				
Pollution control	22				
Subtotal	23	156,000	1,642		118,797
Health services	24				
Public health services	25				
Public health inspections and control	26				
Hospitals	27				
Ambulance services	28				
Cemeteries	29				
Subtotal	30				
Social and family services	31				
General assistance	32				
Assistance to aged persons	33				
Assistance to children	34				
Day nurseries	35				
Subtotal	36				
Recreation and cultural services	37	12,694	45,638		3,140,500
Parks and recreation	38	205,466		14,609	16,579
Libraries	39				
Other cultural	40	218,160	45,638	14,609	3,157,079
Subtotal	41				
Planning and development	42				11,900
Planning and zoning	43				
Commercial and industrial	44	1,784			
Residential development	45				84,542
Agriculture and reforestation	46				
Tile drainage/shoreline assistance	47	1,784			96,442
Subtotal	48				
Electricity	49				
Gas	50				
Telephone	51	1,545,432	69,387	14,609	3,633,352
Total					

CITY OF REFEAN

Total of column 2 includes:

Payments to Ontario in respect of Downtown Revitalization Program loans 81

Accrued interest (enter an amount only if the change to the accrual basis was made in this reporting year) 82

Page 50

Analysis of Short Term Interest Costs (Line 60)

Paid to Own Funds	2,501,606
Other	18,682

ANALYSIS OF CAPITAL OPERATIONS

for the year ended December 31, 1985

Municipality

CITY OF NEPEAN

5
9

		1 \$
Unfinanced capital outlay (Unexpended capital financing) at the beginning of the year	1	4,605,164
Sources of financing		
Contributions from own funds		591,287
Revenue fund	2	
Reserves and reserve funds	3	11,287,727
Subtotal	4	11,879,014
Long term liabilities incurred		
Central Mortgage and Housing Corporation	5	
Ontario Municipal Improvement Corporation	7	
Commercial Area Improvement Program	9	
Other Ontario housing programs	10	
Ministry of the Environment	11	
Tile drainage and shoreline property assistance programs	12	39,900
The Public		
Serial debentures	13	500,000
Sinking fund debentures	14	
.	15	
.	16	
.	17	
Subtotal*	18	539,900
Grants and loan forgiveness		1,193,672
Ontario	20	
Canada	21	-
Other municipalities	22	333,084
Subtotal	23	1,526,756
Other financing		
Prepaid special charges	24	219,572
Proceeds from sale of fixed assets	25	6,136,657
Investment income		
From own funds	26	
Other	27	3,360
Donations	28	8,500
Lot levies and subdivider contributions	29	79,246
Fees and service charges	30	33,873
Sundry	31	68,031
Subtotal	32	6,549,239
Total sources of financing	33	20,494,909
Applications		
Own expenditures		
Short term interest costs	34	25,948
Other	35	11,201,748
Subtotal	36	11,227,696
Transfers of proceeds from long term liabilities to:		
Other municipalities	37	5,479
Unconsolidated local boards	38	500,000
Individuals	39	39,900
Subtotal	40	545,379
Transfers to reserves, reserve funds and the revenue fund	41	5,677,550
Total applications	42	17,450,625
Unfinanced capital outlay (Unexpended capital financing) at the end of the year	43	1,560,880
Amount reported in line 43 analysed as follows:		
Unapplied capital receipts	44	(172,002)
To be recovered from:		
**Land Sales	30,357	
Subdividers	48,796	
—taxation or user charges within term of council	79,153	41,741
—proceeds from long term liabilities		1,611,401
—transfers from reserves and reserve funds		587
—other (specify)	** 48	79,153
Total unfinanced capital outlay (unexpended capital financing)	49	1,560,880
*amount in line 18 raised on behalf of other municipalities	19	NIL

ANALYSIS OF CAPITAL GRANTS
AND OWN EXPENDITURES
for the year ended December 31, 1985

Municipality

CITY OF NEPEAN

6
10

CAPITAL GRANTS				TOTAL OWN EXPENDITURES
	Ontario grants	Canada grants	Other municipalities	
	1 \$	2 \$	3 \$	4 \$
General government 1				2,750,691
Protection to persons and property				254,706
Fire 2				351,539
Police 3				927
Conservation authority 4				10,589
Protective inspection and control 5				119,320
Flood Control 6				737,081
Subtotal 7				
Transportation services				2,784,907
Roadways 8	686,045			-
Winter control 9				
Transit 10				
Parking 11				28,228
Street lighting 12				
Air transportation 13				
Subtotal 15	686,045			2,813,135
Environmental services				1,349,250
Sanitary sewer system 16	431,447			1,110,308
Storm sewer system 17	69,231		333,084	11,245
Waterworks system 18				
Garbage collection 19				
Garbage disposal 20				
Pollution control 21				
Subtotal 23	500,678		333,084	2,470,803
Health services				
Public health services 24				
Public health inspections and control 25				
Hospitals 26				
Ambulance services 27				
Cemeteries 28				
Subtotal 30				
Social and family services				
General assistance 31				
Assistance to aged persons 32				
Assistance to children 33				
Day nurseries 34				679
Subtotal 36				679
Recreation and cultural services				1,715,202
Parks and recreation 37	6,228			45,818
Libraries 38				
Other cultural 39				
Subtotal 40	6,228			1,761,020
Planning and development				2,622
Planning and zoning 41				26,495
Commercial and industrial 42				654,790
Residential development 43				10,380
Agriculture and reforestation 44	721			
Tile drainage/shoreline assistance 45				
Subtotal 47	721			694,287
Electricity 48				
Gas 49				
Telephone 50				
Total 51	1,193,672		333,084	11,227,696

ANALYSIS OF NET LONG TERM
LIABILITIES BY FUNCTION

as at December 31, 1985

Municipality

CITY OF NEPEAN

7
11

		1 5	
General government	1		396,025
Protection to persons and property	2		996,976
Fire	3		2,648,208
Police	4		
Conservation authority	5		
Protective inspection and control	6		
Subtotal	7		3,645,184
Transportation services	8		393,242
Roadways	9		
Winter control	10		
Transit	11		
Parking	12		35,000
Street lighting	13		
Air transportation	14		
Subtotal	15		428,242
Environmental services	16		1,541,499
Sanitary sewer system	17		5,427,277
Storm sewer system	18		
Waterworks system	19		
Garbage collection	20		
Garbage disposal	21		
Pollution control	22		
Subtotal	23		6,968,776
Health services	24		
Public health services	25		
Public health inspections and control	26		
Hospitals	27		
Ambulance services	28		
Cemeteries	29		
Subtotal	30		
Social and family services	31		
General assistance	32		
Assistance to aged persons	33		
Assistance to children	34		
Day nurseries	35		
Subtotal	36		
Recreation and cultural services	37		2,901,993
Parks and recreation	38		338,000
Libraries	39		
Other cultural	40		3,239,993
Planning and development	41		
Planning and zoning	42		
Commercial and industrial	43		
Residential development	44		
Agriculture and reforestation	45		360,127
Tile drainage/shoreline assistance	46		
Subtotal	47		360,127
Electricity	48		4,978,273
Gas	49		
Telephone	50		
Total	51		20,016,620

812

6. Ministry of the Environment Provincial Projects		accumulated surplus (deficit)		total outstanding capital obligation		debit • charges	
		1	2	3	4	5	6
Water projects	for this municipality only	46					
	-share of integrated project(s)	47					
Sewer projects	-for this municipality only	48					
	-share of integrated project(s)	49					

7. 1985 Debt Charges		principal		interest	
		1	2	3	4
Recovered from the consolidated revenue fund					
-general tax rates		50	616,610	1,098,210	
-special area rates and special charges		51	205,214	371,676	
-benefiting landowners		52	336,910	444,446	
-user rates (consolidated entities)		53	-	-	
Recovered from reserve funds		54	160,000	-	
Recovered from unconsolidated entities					
-hydro		55	664,007	710,017	
-gas and telephone		57	-	-	
-		56	-	-	
-		58	-	-	
-		59	-	-	
Total		78	1,982,741	2,624,549	

8. Future principal and interest payments on existing net debt		recoverable from the consolidated revenue fund		recoverable from reserve funds		recoverable from unconsolidated entities	
		1	2	3	4	5	6
1986	60	1,167,430	1,816,102	160,000	-	708,235	689,093
1987	61	1,107,896	1,725,160	160,000	-	541,106	629,944
1988	62	1,074,339	1,637,287	160,000	-	501,032	577,814
1989	63	1,086,763	1,550,547	160,000	-	427,166	528,564
1990	64	1,125,816	1,460,764	160,000	-	426,965	414,219
1991-1995	65	4,954,859	5,143,509	320,000	-	1,585,623	1,293,218
1996 onwards	70	2,470,573	1,635,495	-	-	516,792	164,055
Interest to be earned on sinking funds*	69	930,671	-	-	-	271,354	-
Downsown revitalization program	70	-	-	-	-	-	-
Total	71	13,918,347	14,968,864	1,120,000	-	4,978,273	4,296,905

*includes interest to be earned on Ministry of the Environment debt retirement funds

9. Future principal payments on expected new debt		1	
		72	73
1986		83,200	
1987		162,998	
1988		231,535	
1989		286,095	
1990		763,829	
Total	77		

10. Other notes (attach supporting schedule as required)

Contact for collection and haulage of garbage, household refuse and trade waste dated August 31, 1984 commenced January 1, 1985 and expires December 31, 1990. During 1985 expenses of \$731,571 were incurred for this contract.

UPPER TIER											
	1	2	3	4	5	6	7	8	9	10	11
	balance at beginning of year	amounts requisitioned	supplementary taxes	total expended	amount levied	telephone and telegraph revenue	share of Provincial grants	share of payments in lieu of taxes	other	total raised	balance at end of year
Included in general mill rate for upper tier purposes											
General requisition	181,264	10,167,043	218,657	10,385,700	9,981,392	190,495	-	91,151		10,263,038	58,602
Special purpose requisitions											
Water rate											
Transit rate											
Sewer rate											
Library rate											
Road rate											
.											
.											
.											
Sub total levied by mill rate—general	181,264	10,167,043	218,657	10,385,700	9,981,392	190,495		91,151		10,263,038	58,602
Special purpose requisitions											
Water											
Transit	28,984	4,962,691	106,381	5,069,072	5,029,866	85,345		42,125		5,157,536	117,448
Sewer	(19,126)	2,085,352	45,189	2,130,531	2,087,064	33,977		17,081		2,136,122	(11,535)
Library											
.											
.											
Sub total levied by mill rate—special areas	9,858	7,048,033	151,570	7,199,603	7,116,930	119,322		59,206		7,295,658	105,913
Local improvements	-	223,759		223,759	223,759					223,759	-
Sewer Service Charges		158,825		158,825	158,825					158,825	-
Water Supply Charges	(729)	1,044,478		1,044,478	987,891			57,316		1,045,207	-
Direct water billings											
Sewer surcharge on direct water billings											
Total region or county	190,393	18,642,138	370,227	19,012,365	18,468,797	310,017	-	207,673		18,986,487	164,515
SCHOOL BOARDS											
	1	2	3	4	5	6	7	8	9	10	11
Elementary public	(506)	18,983,359	463,046		19,446,405	19,024,941	389,696	31,636		19,446,273	(638)
.											
.											
Elementary separate	-	4,200,020	48,623		4,248,643	4,255,734		2,909		4,248,643	-
.											
Secondary	17	17,200,532	376,716		17,577,248	17,228,954	323,096	25,825		17,577,875	644
.											
.											
Total school boards	(489)	40,383,911	888,385	-	41,272,296	40,499,629	712,792	60,370	-	41,272,791	636

CONTINUITY OF RESERVES
AND RESERVE FUNDS

for the year ended December 31, 1985

Municipality

CITY OF NEPEAN

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15

		1 \$
Balance at beginning of year	1	29,511,302
Revenues		
Contributions from revenue fund	2	5,443,938
Contributions from capital fund	3	5,647,478
Lot levies and subdivider contributions	60	3,065,296
Recreational land (the Planning Act)	61	118,142
Investment income—from own funds	5	2,501,606
—other	6	417,883
Local Improvements Commuted	9	22,763
	10	-
	11	-
	12	-
Total revenue	13	17,217,106
Expenditures		
Transferred to capital fund	14	11,287,727
Transferred to revenue fund	15	816,628
Charges for long term liabilities—principal and interest	16	160,000
Transfer of Ontario Home Renewal Plan to trust fund	62	64,806
	63	-
	20	-
	21	-
Total expenditure	22	12,329,161
Balance at end of year for:		
Reserves	23	1,537,693
Reserve Funds	24	32,861,554
Total	25	34,399,247
analysed as follows:		
Working funds	26	336,701
Contingencies	27	1,143,501
Ministry of the Environment fund for renewals, etc.		
—sewer	28	31,817
—water	29	-
Replacement of equipment	30	1,060,479
Sick leave & Workmen's Compensation	31	2,925,604
Insurance	32	257,882
Workmen's compensation	33	-
Capital expenditure—general administration	34	4,954,371
—roads	35	795,814
—sanitary and storm sewers	36	6,981,963
—parks and recreation	64	516,215
—library	65	-
—other cultural	66	-
—water	38	-
—transit	39	-
—housing	40	-
—industrial development	41	2,785,228
—other and unspecified	42	-
Lot levies and subdivider contributions	44	10,168,402
Recreational land (the Planning Act)	46	1,059,374
Parking revenues	45	-
Debenture repayment	47	851,766
Exchange rate stabilization	48	240,984
Waterworks current purposes	49	-
Transit current purposes	50	-
Library current purposes	51	-
Pension Benefits	52	181,026
Local Improvement Commutations	53	37,248
Commitments	54	57,491
Special Programs - Police Department	55	13,381
	56	-
	57	-
Total	58	34,399,247

ANALYSIS OF
CONSOLIDATED YEAR END
BALANCES
as at December 31, 1985

Municipality

CITY OF NEPEAN

11
16

		1	2
		\$	\$
ASSETS			
Current assets			
Cash	1	NIL	portion of cash not in chartered banks NIL
Accounts receivable			
Canada	2	205,378	
Ontario	3	1,022,298	
Region or county	4	1,230,339	
Other municipalities	5	9,391	
School boards	6	5,746	
Waterworks	7		portion of taxes receivable for business taxes
Other (including unorganized areas)	8	701,039	
Taxes receivable			
Current year's levies	9	1,339,450	188,511
Previous year's levies	10	345,674	30,589
Prior years' levies	11	246,419	19,739
Penalties and interest	12	222,436	19,060
Less allowance for uncollectables	13	(250,000)	(69,000)
Investments (market value \$32,236,884)			
Canada	14	3,452,433	
Provincial	15	2,451,200	
Municipal	16	3,895,577	
Other	17	21,835,440	portion of line 20
Other current assets	18	266,028	for tax sale/tax registration
Capital outlay to be recovered in future years	19	20,016,620	
Other long term assets	20	595,696	NIL
Total	21	57,591,164	
LIABILITIES			
Current liabilities			
Temporary loans—current purposes	22	310,761	portion of loans not from chartered banks NIL
—capital—Ontario	23		
—Canada	24		
—Other	25		
Accounts payable and accrued liabilities			
Canada	26	55	
Ontario	27	51	
Region or county	28	154,407	
Other municipalities	29	27	
School boards	30	21,683	
Trade accounts payable	31	696,433	
Other	32	1,495,817	
Other current liabilities	33	1,330,646	
Net long term liabilities			
Recoverable from the Consolidated Revenue Fund			
—general tax rates	34	7,501,445	
—special area rates and special charges	35	2,962,990	
—benefitting landowners	36	3,453,912	
—user rates (consolidated entities)	37		
Recoverable from Reserve Funds	38	1,120,000	
Recoverable from unconsolidated entities	39	4,978,273	
Less: Own holdings	40	(6,515)	
Reserves and reserve funds	41	34,399,247	
Accumulated net revenue (deficit)			
General revenue	42	500,000	
Special charges and special areas (specify)			
Sanitation Area	43	66,889	
.	44		
.	45		
.	46		
Consolidated local boards (specify)			
Transit operations	47		
Water operations	48		
Libraries	49	1,402	
Cemeteries	50		
Recreation, community centres and arenas	51		
.	52		
.	53		
.	54		
.	55		
Region or county	56	164,515	
School boards	57	6	
Unexpended capital financing/(unfinanced capital outlay)	58	(1,560,880)	
Total	59	57,591,164	

[illegible]

THE CORPORATION OF THE CITY OF NEPEAN
GENERAL STATISTICS

1985 - 1981

THE CORPORATION OF THE CITY OF NEPEAN
GENERAL STATISTICS
1985 - 1981

(not subject to audit)

(dollar statistics stated in thousands of dollars except for per capita and per household amounts)

	1985	1984	1983	1982	1981
1. Population at the end of the year	92,751	89,671	86,852	85,737	83,880
2. Area in acres at the end of the year	51,400	51,400	51,400	51,400	51,400
3. Employees - continuous full time	607	610	596	579	580
- part time	296	278	334	312	308
4. Number of households	32,243	31,127	29,576	28,183	27,641
5. Assessment					
Taxable assessment upon which taxes were levied					
Residential and farm	\$ 94,673	\$ 90,417	\$ 86,565	\$ 84,715	\$ 82,436
Commercial and industrial	22,969	21,692	21,128	20,507	20,358
Business	9,062	8,554	8,407	8,168	8,015
Total	\$126,704	\$120,663	\$116,100	\$113,390	\$ 110,809
Per capita taxable assessment	\$ 1,366	\$ 1,346	\$ 1,337	\$ 1,323	\$ 1,321
Commercial, industrial and business assessment as a percentage of total taxable assessment	25.3%	25.1%	25.4%	25.3%	25.6%
Exempt assessment	\$ 24,395	25,888	\$ 26,460	\$ 25,555	\$ 26,902
Provincial equalization factor	3.54	4.17	4.58	5.04	5.56
6. Rates of taxation					
Residential and farm mill rates					
For general municipal purposes	142.98	138.98	133.74	127.99	126.55
For region purposes	136.86	124.68	112.81	98.23	74.30
For public school purposes	302.19	281.77	257.97	235.89	227.36
Total	582.03	545.43	504.52	462.11	428.21
Commercial and industrial mill rates					
For general municipal purposes	168.22	163.50	157.34	150.57	148.88
For region purposes	159.62	145.42	131.40	114.35	86.34
For public school purposes	355.52	331.50	303.49	277.51	267.48
Total	683.36	640.42	592.23	542.43	502.70
7. Taxes receivable					
Per capita	\$ 20.53	\$ 24.97	\$ 25.68	\$ 44.95	\$ 37.80
Percentage of current taxes levied and supplementary taxes	2.4%	3.2%	3.6%	7.0%	6.4%
8. Revenue for current operations of the Consolidated Revenue Fund **, ***					
Taxation	\$ 23,479	\$ 22,112	\$ 20,314	\$ 18,478	\$ 17,400
Payments in lieu of taxes ***	5,268	5,162	4,843	4,319	3,679
Ontario grants	5,317	5,032	4,892	4,813	3,312
Other grants	84	87	132	374	135
Fees and service charges **	3,549	2,950	2,742	2,475	2,373
Other	6,977	6,581	5,128	5,199	4,979
Total	\$ 44,674	\$ 41,924	\$ 38,051	\$ 35,658	\$ 31,878
9. Expenditure for current operations of the Consolidated Revenue Fund **	\$ 44,938	\$ 43,403	\$ 38,971	\$ 35,558	\$ 30,317
10. Transfers to the region	\$ 19,012	\$ 16,614	\$ 14,329	\$ 12,730	\$ 9,435
11. Transfers to the school boards	\$ 41,272	\$ 36,901	\$ 32,439	\$ 28,994	\$ 27,164
12. Net long term liabilities **					
Recoverable from the Consolidated Revenue Fund **					
General mill rate	\$ 7,501	\$ 8,513	\$ 9,445	\$ 10,326	\$ 10,348
per capita	\$ 81	\$ 95	\$ 109	\$ 120	\$ 123
per household	\$ 233	\$ 273	\$ 319	\$ 366	\$ 374
percentage of taxable assessment	5.9%	7.1%	8.1%	9.1%	9.3%
Special area rates	\$ 2,963	\$ 3,252	\$ 3,534	\$ 3,796	\$ 3,838
Benefitting landowners	\$ 3,094	\$ 3,373	\$ 3,738	\$ 4,085	\$ 2,974
Total	\$ 13,558	\$ 15,138	\$ 16,717	\$ 18,207	\$ 17,160
Recoverable from Reserve Funds	\$ 1,120	\$ 1,280	\$ 1,462	\$ 2,069	\$ 3,184

THE CORPORATION OF THE CITY OF NEPEAN
GENERAL STATISTICS
1985 - 1981

(not subject to audit)

(dollar statistics stated in thousands of dollars except for per capita and per household amounts)

	1985	1984	1983	1982	1981
13. Charges for net long term liabilities **					
Recovered from the Consolidated Revenue Fund **					
General mill rate	\$ 1,715	\$ 1,764	\$ 1,778	\$ 1,683	\$ 1,666
per capita	\$ 18	\$ 20	\$ 20	\$ 20	\$ 20
per household	\$ 53	\$ 57	\$ 60	\$ 60	\$ 60
as a residential mill rate	12.96	14.00	14.65	14.21	14.38
Special area rates	\$ 577	\$ 588	\$ 598	\$ 605	\$ 591
Benefitting landowners	\$ 697	\$ 815	\$ 829	\$ 715	\$ 478
Total	\$ 2,989	\$ 3,167	\$ 3,205	\$ 3,003	\$ 2,735
Recovered from Reserve Funds	\$ 160	\$ 182	\$ 607	\$ 160	\$ 307
14. Capital financing during the year					
Contributions from own funds	\$ 11,879	\$ 9,268	\$ 6,174	\$ 5,278	\$ 2,922
Long term liabilities incurred	540	635	2,059	3,782	869
Ontario grants	1,194	1,282	866	1,687	1,368
Other	6,882	1,447	3,504	2,448	2,141
Total	\$ 20,495	\$ 12,632	\$ 12,603	\$ 13,195	\$ 7,300
15. Capital expenditure and transfers during the year	\$ 17,451	\$ 12,515	\$ 12,066	\$ 12,410	\$ 8,492
16. Accumulated net revenue (deficit) of the Consolidated Revenue Fund at the end of the year (excluding region and school boards) ***	\$ 568	\$ 832	\$ 2,311	\$ 3,231	\$ 3,131
17. Local improvement charges prelevied	\$ 158	\$ 182	\$ 182	\$ 183	\$ 55
18. Reserves and reserve funds	\$ 34,399	\$ 29,511	\$ 25,090	\$ 17,697	\$ 14,426

** Effective January 1, 1983 Ontario municipalities and their local boards must follow the accounting principles outlined in the Municipal Financial Reporting Handbook. The new Handbook substantially revised many of the accounting and reporting requirements applicable to Ontario municipalities commencing with the fiscal year 1983. The 1982, 1983 and 1984 figures presented for comparative purposes conform with the new requirements in 1983. The figures for the year 1981 do not conform.

*** During the year 1984, negotiations with the National Capital Commission concluded with the result that the City received payments in lieu of taxes, respecting 1983, 1982, and 1981, in excess of amounts anticipated and reported in those years. The "Revenue for current operations of the Consolidated Revenue Fund" for those years has been restated to reflect the effect on operations of the settlement of the negotiations. The "Accumulated net revenue (deficit) of the Consolidated Revenue Fund at the end of the year (excluding region and school boards)" has been restated as follows (in thousands of dollars):

	Originally Recorded	Restated	Cumulative Net Effect
1981	2,849	3,131	282
1982	2,633	3,231	598
1983	1,318	2,311	993